

Also, petition of Cigar Makers' Joint Unions of Greater New York, for enactment of House bill 17253; to the Committee on Ways and Means.

By Mr. TOWNER: Petition of citizens of Creston, Union County, Iowa, favoring the passage of the Kenyon-Sheppard interstate liquor shipment bill; to the Committee on the Judiciary.

By Mr. YOUNG of Texas: Petition of Lark M. Ward and other citizens of Van Zandt, Tex., for parcel-post legislation; to the Committee on the Post Office and Post Roads.

Also, petition of W. W. Perdue and other citizens of Upshur County, Tex., in favor of old-age pensions; to the Committee on Pensions.

## SENATE.

FRIDAY, March 29, 1912.

(Continuation of legislative day of Thursday, March 28, 1912.)

The Senate met, after the expiration of the recess, at 1 o'clock and 45 minutes p. m.

### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 18849. An act for the relief of the Winnebago Indians of Nebraska and Wisconsin;

H. R. 19212. An act making appropriations for the Diplomatic and Consular Service for the fiscal year ending June 30, 1913; and

H. R. 20842. An act to provide for a tax upon white phosphorus matches and for other purposes.

### ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED.

The message also announced that the Speaker of the House had signed the following enrolled bill and joint resolutions, and they were thereupon signed by the Vice President:

S. 3686. An act authorizing the Secretary of the Interior to permit the Missouri, Kansas & Texas Coal Co. and the Eastern Coal & Mining Co. to exchange certain lands embraced within their existing coal leases in the Choctaw and Chickasaw Nations for other lands within said nations;

H. J. Res. 232. Joint resolution extending the operations of the act for the control and regulation of the waters of Niagara River and for the preservation of Niagara Falls, and for other purposes; and

H. J. Res. 263. Joint resolution to authorize allotments to Indians of the Fort Berthold Indian Reservation, N. Dak., of lands valuable for coal.

### SERVICE PENSIONS.

The VICE PRESIDENT. The Secretary will announce the pending business, House bill No. 1.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 1) granting service pensions to certain defined veterans of the Civil War and the War with Mexico.

The VICE PRESIDENT. The pending question is on agreeing to the amendment of the Senator from New Hampshire [Mr. GALLINGER] to the amendment of the committee.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Senator from Utah suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Bacon	Cullom	Lodge	Richardson
Borah	Cummins	Lorimer	Root
Bourne	Curtis	McCumber	Shively
Brandegee	Dillingham	Martine, N. J.	Simmons
Briggs	du Pont	Myers	Smith, Ga.
Bristow	Fletcher	Nixon	Smith, S. C.
Brown	Gamble	O'Gorman	Smoot
Bryan	Gardner	Oliver	Stephenson
Burnham	Gronna	Overman	Sutherland
Burton	Heyburn	Page	Thornton
Chamberlain	Johnson, Me.	Penrose	Townsend
Chilton	Johnson, Ala.	Percy	Warren
Clapp	Jones	Perkins	Watson
Clark, Wyo.	Kenyon	Poinexter	Wetmore
Crane	Kern	Pomerene	Williams
Crawford	Lea	Rayner	Works

Mr. BURNHAM. The senior Senator from New Hampshire [Mr. GALLINGER] is unavoidably absent.

Mr. LEA. The senior Senator from Tennessee [Mr. TAYLOR] is detained from the Chamber by serious illness.

The VICE PRESIDENT. Sixty-four Senators have answered to the roll call. A quorum of the Senate is present.

Mr. SHIVELY. Mr. President, there have been various positions assumed in the Senate on the question of general pension legislation. One is that there should be no further supplement to the general pension laws. Another is in favor of a measure that confessedly temporizes with the situation and leaves the question open to further agitation and subsequent action. Another is that in favor of a measure that meets the reasonable expectations of the surviving veterans, removes in great part the pressure for special legislation, and places the subject of general expenditure for pensions on account of the Civil War in process of final settlement. The second position is illustrated by the Smoot substitute for the Sherwood bill, and the last named is exhibited by the Sherwood bill, as it passed the House and is supported by a minority of the Committee on Pensions of the Senate.

At the outset of this debate we are confronted with comparative statistics of the cost of pensions as between European countries and our own. These do not impress me. The theory of our Government and the spirit of our institutions attach different consequences to war in the matter of pensions than do those of the Old World. Whatever progress has been made, the theory still lingers in the average European Government that the people were made for the government rather than the government being made for the people. The rank and file of soldiers in the majority of European countries are still regarded as the raw material of kingly glory and dynastic power. Recognition still goes to hereditary rank or other favorites of power rather than to individual merit. The present Lord Nelson, of England, now over 90 years of age, draws an annual pension of \$25,000 on account of services rendered by his grandmother's brother at the battle of Copenhagen, and enjoys, besides, an estate granted to his ancestor under George III, which was at that time valued at \$450,000.

The men who baptized this Republic into the family of nations withdrew sovereignty from kings and nobles and reposed it in the people. The old relations of men to government were here changed. The individual citizen became the unit of political and civil power. With the rights of citizenship came the duties and obligations of citizenship. These duties and obligations extend equally to all on the theory that all are equal under the law and have equal stake in government. When, in response to these obligations, the citizen in time of stress and storm bares his breast to danger under the standard of the law, the obligations of his fellow citizens are not canceled by his sacrifices. Here either none or all are kings and nobles, and no true principle of patriotism requires the soldier to be content with merely harvesting the hardships of war, however long he may postpone his rightful claim on the gratitude of his country.

Moreover, even in Europe the entire story of pensions is not disclosed by the European pension lists. The Lord Nelson pension is a charge on the civil list. In Germany, where the Government owns and operates the railroads, will be found veteran soldiers in numerous positions the duties of which are merely nominal; widows of deceased soldiers will be seen along the line near their little gardens, and incidentally rendering some service. The names of these soldiers and soldiers' widows are borne on the civil roll of the Government, and the allowances to them do not appear in the expenditures for pensions. In many other European countries more or less substantial allowances are made in recognition of military service, the accounts of which are submerged in the records of disbursements in the civil service.

Those who dwell on the magnitude of present and proposed pension expenditure on account of the Civil War should not forget that it was an enormous war and entailed correspondingly enormous consequences. The length of time it lasted, the area of territory over which it extended, the number of troops engaged, and the loss of life and treasure attending it are familiar history which there is here no occasion to repeat. But there were certain features of that struggle so exceptional in character and which so well illustrate the mettle and spirit of the American soldier from whatever section of the country he comes that, however familiar, I venture to recall. In the long series of great battles contested, the casualties attending certain regiments engaged, and the incomparable valor exhibited on both sides, that war has no parallel in history since the invention of gunpowder. Neither side had the easy and inglorious task of confronting weaklings or cowards.

Alfred Tennyson emblazoned in his well-known heroic verse and sent around the world the story of the glory of the Light Brigade in its charge at Balaklava, in which it lost in killed and wounded 36.7 per cent of the officers and men engaged in the charge. At Gettysburg the First Minnesota Regiment lost

82 per cent, and at Antietam the First Texas lost 82.3 per cent. At Gettysburg the One hundred and forty-first Pennsylvania lost 75.7 per cent, and at Manassas the Twenty-first Georgia lost 76 per cent. Here were two Federal and two Confederate regiments, each of which in a single battle lost more than twice as large a percentage of those engaged as did the memorable Six Hundred at Balaklava. The Nineteenth Indiana, at Manassas, lost 61.2 per cent, the Fifteenth Indiana at Missionary Ridge lost 59.5 per cent, and the Fourteenth Indiana at Antietam 56.2 per cent. Each of 63 Federal and 70 Confederate regiments lost in single battle over 40 per cent, and each of over 180 regiments of both armies sustained in single battle a larger percentage of loss than did the Light Brigade. A larger number of American soldiers of the Civil War, blue and gray, lie buried in the soil of the State of Virginia than England has lost Englishmen in all her wars in the last 100 years. When all other memories of that great struggle shall fade into oblivion, the story of the iron courage, the steadfast heroism, the intrepid daring, the deathless fortitude, the unfaltering capacity to do or die of the American soldier will remain the common heritage of a free people and a cherished pledge to the security of a united country.

Now, Mr. President, the Sherwood bill embodies the principle of a pension on the ground of meritorious military service in time of actual war. There is nothing new or startling in the policy that recognizes military service in actual war on the ground of that service by grants from the public funds or from other forms of public property. George Washington received 2,666½ acres of land on military warrant No. 135 and 1,000 acres on military warrant No. 137 in consideration of his service of three years as lieutenant of the Virginia Line. These grants were from lands reserved and set apart by the Commonwealth of Virginia on the Ohio River for the officers and private soldiers of the Virginia continental line. Congress granted to Gen. Lafayette 11,520 acres of land in consideration of his military service, then granted him 36 square miles more and authorized him to make his own locations, and then voted him \$200,000 in gold. In 1839 Janette Taylor, as devisee of John Paul Jones, received military warrant No. 8725 for 600 acres of land in consideration of the latter's service as captain in the Continental Navy. Of course, Washington had declined all compensation as Commander in Chief of the Continental Armies, and no one pretends that the grants subsequently made were equivalents for his military service. The country will remain both his pecuniary and moral debtor during all the years to come. Lafayette had made financial advances and other sacrifices, in addition to his personal military assistance, and the value of the heroic service of John Paul Jones was hardly possible of computation. Nor will anyone pretend that the value of the service of even the humblest private in the wars of the Republic is to be measured by the monthly stipend he received.

Winfield Scott, in 1852, applied for and received 160 acres of land on warrant No. 16120 in consideration of his military service in the War of 1812. Abraham Lincoln, in 1852, applied for 40 acres of land and received the same on bounty-land warrant No. 52076, and in 1855 applied the second time and received 120 acres additional on warrant No. 68645, both grants being in consideration of his service as a captain of Illinois Militia in the Black Hawk War, the length of actual service in which war he fixed in his applications at about 40 days. In 1850 Ulysses S. Grant applied for land and received warrant No. 3514 for 160 acres on account of his service as second lieutenant and quartermaster in the Fourth United States Infantry in the War with Mexico. In 1854 Robert E. Lee applied for land and received warrant No. 26049 for 160 acres on account of his service as captain in the Corps of Engineers, United States Army, in the War with Mexico. Philip H. Sheridan, Admiral Farragut, Winfield Scott Hancock, Stonewall Jackson, William Tecumseh Sherman, and thousands of other officers and tens of thousands of private soldiers became applicants for and beneficiaries of grants from the public lands on account of military service in the wars prior to 1860. A total of 68,791,550 acres of land was granted under the general law alone in recognition of honorable military service rendered prior to the Civil War, to say nothing of the grants by special acts of Congress for like service.

These grants, Mr. President, were not made on account of wounds received in battle, nor because of disease contracted in the service, nor because of the exigencies of hard fortune in subsequent civil life or the helplessness of old age. The great majority of these grantees were then in the prime and strength and vigor of young manhood. The grants to them were made on the naked fact of honorable military service in time of war. However great or small, these grants were testimonials from a

grateful people to men who faced danger in the service of their country. This demonstration of gratitude came soon after the service was rendered and in that ungrudging way that made the patent to the land a badge of honor to the soldier who received it.

We are now 50 years away from the early years of the Civil War. Fifty years away from the enlistment, the separation from the opportunities of civil life, the farewell to family, home, and friends, the weary march, the fever-stricken camp, the dismal prison, the sullen roar and black smoke of the ensanguined battle field. It may be easy at this distance to think and speak lightly of the hardships of those times. But the long span of intervening years means that the youngest survivors of that army of the Union are old men now. At the close of the struggle the survivors of it returned to their homes to pick up the broken threads of civil life and retrieve their lost places in the occupations of peace. As a rule, they were men of modest or no private fortune. The country was under a heavy burden of debt and taxation. The southern portion was under the desolations of a long war, which was followed by the deadly blight of merciless carpetbag misgovernment, even more paralyzing and disheartening than war itself. The records of the Government for those succeeding years show that the surviving veterans realized the situation and were not swift in the days of their youth and vigor to make drafts on the gratitude and justice of their country.

Whatever bounty-land warrants were issued to the survivors of other wars, no such warrants were issued to them. In December, 1861, while many of these men were in the field, Congress defeated the bill presented by Holman, of Indiana, to extend the provisions of the bounty-land act then applying to the soldiers of former wars to the Union soldiers of the Civil War and their orphan children. The pretense given for the defeat of the bill was that monopoly of the land would result from speculators gathering up the warrants. Yet Congress immediately proceeded to transfer without price the choicest parts of the public domain over to private corporations. Within 10 years from the defeat of that bill Congress turned over to the States for railroad corporations 17,775,624 acres and to railroad corporations direct 163,643,944 acres, or a total area of land more than seven times the size of the State of Indiana and more than four times as large as all the New England States combined. At the end of that period Congress again defeated the Holman bill on the ground that not sufficient suitable public lands were left to supply the surviving veterans. These veterans of the Civil War and their orphan children were denied grants from the public lands at first lest they should fool them away and denied them at last because the lands left were too dry to farm or too steep to climb!

There is some contention as to the cost of the proposed legislation. The Bureau of Pensions submits one estimate; the author of the Sherwood bill submits another. Neither purports to be based on conclusive data. Whether the Sherwood bill or the Smoot amendment be finally adopted, precise information as to the exact length of service of each soldier under all enlistments will be necessary to the administration of the law. This information is all at the command and within the possession of the Bureau of Pensions and the Department of War, and only requires assembling to be available. It should be in form for use here now. While question may be made as to the method by which the author of the Sherwood bill arrives at the amount of the average pension allowable under its provisions, he reinforces his contention that the estimate by the Bureau of Pensions of the general cost of the proposed legislation is excessive by a vast array of statistical information drawn from the records of the War Department and the authentic archives of many States sending troops into the field. But whether the bureau's estimate be too high or the Sherwood estimate too low, the difference in cost can not be conclusive as to whether reasonable recognition of meritorious service and relief to the veteran in the low evening of his life shall be granted.

It is neither generous nor just to answer the meritorious veteran by confronting him with the specter of bonds. The expenditures of this Government have risen to over \$1,000,000,000 per year. No great part of this increase is ascribable to pensions. For years there has been a decrease in the annual appropriations for this purpose. Despite the large accessions to the pension roll because of the War with Spain, the annual appropriation for pensions under existing law as prepared for this year carries over \$5,000,000 less than that of last year and nearly \$10,000,000 less than for the year 1909, and there are fewer pensioners on the roll now than at any time since 1892.

Congress has within the past few years created hundreds of thousands of additions to the civil pay rolls of the Government. New departments, new bureaus, new commissions have been



established. The Government promptly issued canal bonds. It guaranteed millions of dollars' worth of irrigation bonds. It became virtual guarantor of the reconstruction or refunding bonds of Santo Domingo, and projects are pending to extend the same policy to other countries south of us. There has been no parsimony with the public credit as to these things. It is rather late now to conjure anew with the patriotism of the old soldier by threats of insolvent Federal revenue.

Besides, the veteran has the right to look through and beyond mere names and forms to the substance of things. From bounties out of the public domain to private corporations in which they were interested, the Stanfords, the Crockers, the Huntingtons, and other like beneficiaries of Government favor, gathered splendid private fortunes. Assisted by a pension to his industry out of the taxing power of the Federal Government, another citizen walked off with a fortune of \$400,000,000, and boasts that within the same time over 40 of his associates became more than millionaires. These are but types among thousands where the special favor of Government contributed to produce private fortunes and incomes on them so stupendous as to bewilder the imagination that would comprehend their magnitude.

These grants from public property and Federal power were not for wounds received in battle, nor for disease contracted in line of military duty, nor for service rendered in time of danger. None the less, the fortunes derived from them, in common with all others, are locked away in the mortmain of vested rights. They are secure in that scheme of laws, usages, duties, and responsibilities which constitute social order, and to which the blood of the soldier is the last unfailing pledge. Under our system of indirect Federal taxation the burdens of government are cast on consumption rather than on property. They fall in heavy proportion on want and in slender proportion on wealth. The principle relatively relieves the citizen from the burdens of his Federal Government in proportion as his stake in government increases, and exempts him from the relative weight of taxation in the ratio of his ability to pay. From our experience in recent years, I would certainly not make pensions to deserving veterans dependent on the vicissitudes of income-tax legislation. But in view of the ungrudging service he offered and rendered to his Government, the old soldier has the right to be exempt from criticisms on his patriotism and self-respect from those classes of society whose princely affluence is due in large part to the affirmative and negative partiality of that Government. The vivid contrast leaves no excuse in these quarters for hysterical fear lest pension legislation should involve drafts on the Federal revenue or public credit.

But those especially favored citizens who are prone to underestimate the value of the institutions under which opportunity came to them should possess their souls in patience. In the last fiscal year death took nearly 53,000 pensioners of all kinds from the rolls. The surviving veterans of the Civil War are all near the sunset of life. The infirmities of age and, in many cases, the hardships of destitution are upon them. Between the year 1901 and the end of the last fiscal year 205,905, or nearly 206 regiments, of the veterans of the Civil War bade good-by to this world. In the last fiscal year 32,731 joined their comrades on the other side. Since the Sherwood bill passed the House and came to the Senate nearly 10,000 have answered the roll call on the eternal camping ground. At the recent death rate, while the clock in this Chamber ticks off the next 24 hours, 100 more of that rapidly thinning line will have gathered "under the trees yonder."

As between the Sherwood bill and the Smoot substitute reported for it I support the Sherwood bill, both on principle and policy. There are 400 private pension bills pending in the Committees on Pensions of the House. There are thousands more pending in the Senate. The Sherwood bill will provide for the vast proportion of meritorious cases among these bills and arrest the tide of special legislation. The Smoot substitute does not meet the reasonable expectations of the soldier. It settles no question. It forecloses no issue. It will have but little influence on the tide of special legislation. It leaves general legislation in an unsettled condition. It postpones the whole question to future agitation. The Sherwood bill avoids these contingencies, meets the reasonable demands of the situation, and merits the support of the Senate.

Mr. TOWNSEND. Mr. President, I quite agree with the distinguished and universally respected Senator from Louisiana [Mr. THORNTON] in his statement that much that is advocated in behalf of the old soldier is political in its nature and is done for political effect. I can, with equal assurance, state that much other legislation is advocated now and then for the same purpose. The old soldier has been the ball with which politicians

have played the game of football for many years, and he knows it quite as well as anybody else.

I do not wish to be understood as saying that the Federal Government has not dealt liberally with its soldiers. I do wish to go on record, however, as saying that I do not believe they have been treated too liberally. I am forced to the conviction that the pension appropriation bill is one of the wisest and most important, gauged by any governmental standard, that Congress passes. In the very nature of things no general pension law can be enacted which will deal absolutely justly with all soldiers who may become beneficiaries under it; but it becomes necessary for the Congress in passing general laws to make them as nearly satisfactory to all as possible.

I have said that some Congressmen have played the game of politics too much with the old soldier; and the time is now here, as it seems to me, when we must do something. This is the day and the occasion. It is very doubtful if any one Senator is going to have his way exactly in the matter of pension legislation. Whatever law is enacted will be different from the one he would pass if he had unlimited power. But there is now before the Senate a measure which has been passed by the House of Representatives. Some charges have been made to the effect that it was never intended that this bill should become a law, and that the Senate would change it when it came here, and report some other kind of a measure. Whether that be so or not, I do not know or care. The fact is, the Sherwood bill has passed the House, and it is now before the Senate for its consideration; and if the Senate should pass it, there would be no question as to its becoming a law.

That bill I favor, because it carries larger benefits to the soldier than any other of the bills before the Congress, and I am anxious for immediate benefits. I like the principle of the so-called Smoot bill or the Burnham bill better than I do the principle of the bill that has passed the House. If the individual pensions granted in these other bills were as great in proportion as are those carried in the Sherwood bill, I should gladly support them, because they recognize the double standard of service and disability, and I use the term "disability" as synonymous with age in this respect.

I do not sympathize, however, with any Senator who says that if he can not have the Sherwood bill he does not want any bill. Nor do I believe the soldiers generally throughout the country are favorable to that proposition. Even the measure which carries the smallest amount, the Smoot amendment, enlarges the benefits of the soldiers included under it by \$24,000,000 annually. That means that the soldiers who receive the benefit of the bill will on the average have an increase under it of something over 20 per cent of what they are now receiving. The Burnham bill enlarges the benefits by \$30,000,000, or about one-fourth more than the same class of men are now receiving. Therefore, I say it seems to me that gentlemen are speaking without the record when they say that the soldiers of this country would prefer no legislation at all at this time if they can not have the Sherwood bill.

As I understand it, the parliamentary situation is such that we can not vote on the Sherwood bill until all the amendments have been disposed of. Supposing it shall so happen that we who are in favor of legislation at this session shall vote down the amendments, and then the question arises on the original Sherwood bill and that bill is voted down; in that case we will have absolutely no legislation at this session of Congress.

I think I am not revealing improperly any secrets when I say that a careful canvass of the Senate shows that we have not enough votes to pass the Sherwood bill. I wish it were possible to get a vote on that bill first. But inasmuch as it is not, if I have the opportunity, I am going to vote for the Burnham bill, as that carries \$30,000,000 more than the soldiers are now receiving. Then, if that fails, I shall vote for the Smoot amendment, because I am certain that any other course, if I were to follow it, would result in my voting for no legislation in the interest of the old soldier at this session of Congress. I do not wish to be a party, knowingly or unknowingly, to a longer delay of relief to the survivors of the Union Army in the Civil War.

Mr. KENYON. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Iowa?

Mr. TOWNSEND. I yield.

Mr. KENYON. I was called out and came in just as the Senator was making his statement as to the Sherwood bill. Is it the statement of the Senator that a poll of the Senate shows that there are not enough votes to pass the Sherwood bill?

Mr. TOWNSEND. That is what I have been informed by a Senator who is in favor of the bill, and who has made a canvass of the Senate.

Mr. KENYON. The Senator has not made that canvass himself?

Mr. TOWNSEND. I have not.

It has been stated on this floor, Mr. President, that the old soldiers whom we seek to benefit under this bill are dying at the rate of 100 a day. Thousands of them have passed away since this measure came before the Congress. I have been obliged several times to announce the death of old soldiers for whom I have introduced special bills and which bills had been reported favorably by the Pension Committee. Action, however, could not be secured upon these bills before the soldiers died. I repeat that what we do we ought to do now, because if we pass one of these measures to-day it probably will be a week or 10 days before it can be enacted into law, and in the meanwhile a thousand more will have gone to their great reward.

Another thing I wish to speak about is this: I have in mind the thought that the House has passed the Sherwood bill, and whatever bill we pass here will be the minimum which the conference committee can consider; and the presumption is that the measure ultimately enacted will be somewhere between this minimum and that maximum. Therefore, a much larger benefit than that now enjoyed is to be extended to the old soldier by the passage of any bill.

I believe I am as much in favor of strict economy in the conduct of the Government's business as any Senator here. I have been very much interested in the suggestions which Senators have made as to what we can do to secure the money to meet the extra demands which any pension legislation may impose upon the Government. I have been on record for some time as being in favor of a careful revision of the system we have of granting appropriations for public buildings.

I have said time and again, in the House and elsewhere, that I believe it is bad economy for the Government to engage in the general business of building post offices all over the country in places where there is no actual demand for them. It is a notorious fact, in the first place, that almost every building we put up costs the Government much more than it would cost an individual to do the same work. I have had the experience in my own district, when I was a Member of the lower House, of finding that some post-office building was too small and inadequate for the needs of the office, and new quarters were required; and whenever it was discovered that such a condition existed, and the wants of the Government were shown, private capital in the place put up a building that answered the needs of the Government.

So far as post offices are concerned, the Government can well afford to make its plans and specifications and offer them to the community, with the proposition that if it can get the quarters it needs it will rent the building for a term of years. The rent paid by the Government would scarcely exceed the interest on the Government investment if it had erected the building. The Government would save millions of dollars under this rental system. It might possibly interfere with the Member's influence in the community. But I submit, Mr. President, that these Government post-office buildings are about the worst assets any Congressman can have. If he gets a building in one place, it creates jealousy in another place. Different communities demand the building; and even when you have had an appropriation made for the building, you have to have a quarrel over the site; and the Representative or the Senator frequently comes out second best in such a contest.

In places where we have need for something besides the post-office accommodations, in our large cities where we have other Federal offices, and especially in the city of Washington, of course it is most desirable that the Government should own its buildings. But post-office buildings where not needed should not be built, and the money so saved would meet the most, if not all, of the cost of the pensions carried by any bill that is now before the Congress. It is gratifying to an American to see the flag floating over a Government building in his home city, but that same flag would float over as good a building built by private enterprise, and the money saved would furnish sufficient means to care for those men who made it possible for that flag to float over any building.

There is another economy that we might practice, and that is the one suggested by the President of the United States through his Economy Commission. It would be rather unpopular, because that of itself tends to subtract from Senators and Representatives some of the patronage which they might otherwise have; but we can economize if we wish, and that without injuring any department or service of the Government. Not through cheeseparing methods affecting little things, but in a large way we can recoup the drain upon the Treasury which any pension legislation at this time may cause.

There is another thing that has attracted my attention that looks to me as furnishing a very promising means of economy, and that is the printing bill, which has been presented to the Senate by the Committee on Printing. I am not saying that I indorse its every provision, because I am not familiar with it in detail; but there are many provisions in it which appeal to me very strongly, and through their adoption we can save much money, and then we can spend it in this broad, patriotic way. I approve the pension bill, not alone because of its effect upon the old soldiers who need the appropriation, but I look upon it as a wise Government policy, understanding as I do that it is an incentive to patriotism. If we should have a war in the future, we can depend, as we have depended in the past, upon the volunteer soldier; and every boy and every girl should be brought up in this country with a sure knowledge that this country is grateful to its defenders.

I do not say that men enlist or always would enlist for what they could get out of such service. I know that is not true. I do know that many men enlisted and will hereafter enlist because they felt and will feel that it was and is their duty to do so. I want to encourage that spirit.

We should have an opportunity to vote for the Sherwood bill in order that the Senate may express its views on that particular measure without thereby absolutely shutting out all pension legislation at this session of Congress. That being impossible, as I am told it is, then I want if possible to vote for the Burnham bill, which carries \$30,000,000. We can vote on that, and if it fails then I am going to vote for the next best bill.

Believing as I do that the soldiers of Michigan and of the United States are in favor of pension legislation at this time, and that the smallest proposition increases their benefits by more than 20 per cent of what they are receiving now, I think it would be very unwise and very unpatriotic if with our eyes open we proceed to destroy all possibility of any legislation at the present session of Congress.

The McCumber bill is right in principle, and if we can amend it so as to enlarge the benefits it will be satisfactory to old soldiers. I feel sure we are going to do this, and let us do now, and not postpone a duty which has been delayed already too long.

Mr. HEYBURN obtained the floor.

Mr. BURNHAM. I should like to say a word at this time.

Mr. HEYBURN. I yield to the Senator from New Hampshire.

Mr. BURNHAM. I desire to say that the amendment I have offered I desire to submit after the bill goes into the Senate and not at this time, in Committee of the Whole. Whatever action may be taken I desire to have taken on the amendment in the Senate, and when that stage is reached I intend to explain the nature of the amendment.

The PRESIDING OFFICER (Mr. CURTIS in the chair). There is, however, an amendment pending, the amendment offered by the senior Senator from New Hampshire [Mr. GALLINGER] to the committee amendment.

Mr. CUMMINS. I ask that the amendment offered by the senior Senator from New Hampshire may be read.

The PRESIDING OFFICER. Without objection, the Secretary will read the amendment offered by the senior Senator from New Hampshire.

The SECRETARY. Strike out section 3 of the committee substitute and insert as section 3:

That no pension attorney, claim agent, or other person shall be entitled to receive any compensation for services rendered in presenting any claim to the Bureau of Pensions, or securing any pension under this act, except in applications for original pensions by persons who have not heretofore received a pension.

Mr. HEYBURN. Mr. President, in order that we may act wisely in dealing with pensions we should have a correct knowledge of the function that a pension is intended to perform. We are not paying back wages or compensation to soldiers when we grant pensions. Not only the presumption but the fact is that the Government discharged its liability to the enlisted soldier, and we are not now dealing with any deficit arising against the Government. Much discussion has proceeded here and elsewhere apparently to me upon the assumption that we were going to compensate the old soldier for some service that he rendered for which he has not been compensated. That would not be a pension. That would be the payment of something that was due by virtue of the contract of enlistment.

Mr. President, neither this bill nor, in fact, any of these bills make any provision for men who enlisted for 30 days. The first great shock of war was met by those men. They are the men whose patriotism was most prompt and not lacking in



efficiency. A full proportion of those men rested in their graves at the end of their service as compared with those who served for any other term. Their patriotism was as pronounced and their service as great as that of those who enlisted for a longer term or served for a longer term. The man who lost his life during the first three months, who responded to the call of the President for soldiers to serve three months, under a misapprehension as to the gravity of the situation, rests in as honored a grave and has to his record as honorable a service as the man who served four years with the same result.

I do not know why they should be left out, except on the basis that we are paying men for their services at so much a day and paying them over again. The man who risked his life in that first shock of the controversy risked it as much under an enlistment of three months as the man whose enlistment was for a longer term; and if you are going to deal with this as a matter of principle rather than as a matter of settling back accounts, I think it was a mistake to omit these men. I knew some of them who rest in their graves, in which they have laid during that first three months' service. I have clear in my recollection, as have other men whose memory runs back to that period, men who went out for three months and gave their lives or gave their prospects in life for their country in quick response.

Mr. President, the three months' soldier who received his wounds or whose health was broken in that three months differs only from the soldier of longer service in that he has been suffering longer. He has been carrying his wound longer. His family has suffered whatever resulted from his service or his wounds that much longer. Why should they be omitted from this bill? We were prouder of those men when they went out, if it were possible, than we were of the men who went when the story was older and when the glories of war had crystallized into a more definite shape.

When we remember the enthusiasm and the pride that accompanied those first troops to the front, untrained by experience or precept or example in the art of the soldier, but who said to the country, "Take me, awkward as I am, unused as I am to the performance of such duties; take my life or whatever part of it may result from the taking of me," is it right to omit them from the list of those who shall be cared for in their old age because they were patriots? I would not care to be called upon to decide between the claim of patriotism on the part of the man who made the first quick sacrifice and the man who made it in later years.

So I object to that feature of all of these measures, because I look upon this question from a standpoint entirely different from the principle which seems to underlie the measures. If we were going simply to pay additional compensation to the men who served in the Army, then of course we would take them up according to the quantity of service, perhaps the quality of service, perhaps distinguished between the men who while enlisted in the Army served in the commissary department or on detached duty. But such is not the spirit of this legislation. I think it ought not to be the spirit of any legislation, because those men were subject to the call to active service, and it is the intent with which a man said "Take my life, my country," that we are recognizing to-day.

We are here to deal with service pensions. That should not mean length of service, it should not mean kind of service, but it should mean the service offered by the individual.

Why should we deal with it at all? Because the man who did this for his country is no longer able to support himself in even moderate comfort, because the man who did this offered not only his life but the opportunities of life. He sacrificed the opportunity that comes to every young man to engage in productive enterprise or industry, and by so doing to provide a competence for himself in his old age.

Men were wounded in more ways than one. There was the physical wound that shattered the arm or tore the breast. There was the wound to the health that sapped the life of the man in after years. There was the wound to the character, some resisting, others unable to resist. The young men who went out from the university classes, the young men who went out from all walks of life, subjected to the temptations and the unusual conditions surrounding the soldier's life, yielded some, resisted some. The one who yielded brought home his invisible wounds to character, which left him unable to cope in the field in which men strive in business; it left him helpless in the great field of opportunity. Who can tell what would have been the social or business position to-day of the old, crippled inmate of a soldiers' home who hobbles along the street in poverty had he remained home during those four years in a position to take advantage of the opportunities of life, the very period during

which men lay the foundation for whatever is to constitute their life? Who can tell? He might have been high up among the men of achievement, and it is as fair to presume that he would.

Realize for a moment that these were not men tried out in the struggle of life with characters firm and set. The average age of the soldier of the Union Army was less than 20 years. The armies of the world have been formed by boys, history tells you. There is no period in the life of a man so valuable to him and to the country as the period between 18 and 22. I know many men who left their classes in school, who left the workshops in which they were learning a trade, who left the field of opportunity, to go into that great Army. I say I know them, and I have had occasion to observe them, and we all know them. Many of them never came back, and left unprovided for and uneducated children of their early and earliest experience of life; left young wives and young children to meet the struggle of life; substituted in those lives poverty for comfort, accomplishment for defeat. Then, those that came back came back scarred with the wounds of a soldier's life; scarred with wounds to the character, wounds to the body, but the greatest wound of all for them, the one that reached away beyond the physical being of the soldier, was the wound to opportunity.

The most valuable thing that any man possesses in the world is opportunity. They had lost the benefit of four years of education, whether it be in the classes, in the classics, on the farm, in the workshop, or in the arts or trades. They had lost it forever. Time is one of those great jewels that, once lost, can never be regained. We had better lose anything than opportunity. It is for that we are pensioning these men on the proven records, upon the judgment of the world surrounding them. We are pensioning them because in the great court of experience and opportunity a judgment has been rendered that these men actually suffered a loss. It is not problematical; it does not need the affidavit of a neighbor that they were not successful; but the result is there. They are helpless old men, to whom no calculating moneygrubber would give employment for a day. Why, he would laugh at them and say, "You can not do a day's work." He would wound their feelings by telling them that they were useless among men.

Those are the men that I appeal for, and I say that we should strike out the distinction which excludes those soldiers who enlisted to meet the first rush of battle, those who enlisted at the first call of the President of the United States, even though it were for three months. Vast numbers of them were killed in three months; vast numbers of them were crippled in three months in all the ways that they were afterwards crippled. Why exclude them? I know a man who went out in the three months' service—I have one in my mind now—and he has been a cripple ever since, and lives to-day a crippled, decrepit old man. He was in a hurry to go to the defense of his country, but he came back wounded and broken. His suffering has been longer than that of those who went out later. Is he not entitled to any consideration? He could not enlist again, because he was crippled and broken. You say, "Why did he not continue his service and come under these classes?" I tell you of my own knowledge that he never was in a position where his services would have been accepted at all. The answer would have been a little like that in "Scott and the Veteran." So I say, put the three months' men here; put in every man who said to the country for one day, "Here is my life, all I have, and my hopes, and those of all who depend upon me; take them; send me to battle."

Place me upon the ramparts,  
With the flagstaff in my hand;  
No odds how hot the cannon shoot,  
Or how the shells may fly,  
I will hold the starry flag aloft,  
And hold it 'till I die.

It does not take long to accomplish that. A man can die within the flash of an eye. His fate and that of his family can be settled quicker than you can state it. Some language has fallen here that would seem to indicate that the consummation of this great service to the country was something that could only be accomplished in three or four years. It could be accomplished in the time of the man who went out from his home at Gettysburg with his rifle on his shoulder, and it was over at the end of the day. So much for the three months' men.

The limit is drawn too close, and I shall propose an amendment in which there shall be no three months' clause. I shall propose at the proper time to strike out, in line 13, on page 3, the words "90 days or more," and to insert the words "enlisted and"; so that it will read:

That any person who enlisted and served in the military or naval service of the United States during the late Civil War.

That is because of the principle that I conceive to be behind this legislation, a principle not of payment but a principle of

patriotic recognition of an act performed by a patriot, because of the result which flowed from the performance of that act to the State. I am going to propose further, that any man who would be entitled to a pension under this bill may leave the same in the Treasury of the United States, and suggest that it be done by a sworn declaration of his enlistment and that he would be entitled to a pension, that he relinquished it to remain in the Treasury to the credit of a fund that shall help to take care of others.

The soldiers' homes of this country could be maintained out of such a fund. We know that to-day there are a vast number of men in the United States who neither need nor draw their pensions. Those men should have the lawful right, by express provision of law, to declare that they contribute that money to this fund that should be used for the purpose of maintaining equally pressing need and patriotic purpose. That I want to propose.

I have necessarily been absent from the Senate much of late and have not had the time that I would otherwise have occupied in which to perfect and have ready for prompt presentation the views which I entertain upon this question. I shall at the proper time propose to amend section 1 by making it definite that this is a service pension by inserting, in line 20, page 3, before the word "pension," the word "service"; and, then, I shall propose as a further amendment that after the word "pension," in line 20, the words "of \$1 per day, as hereinafter provided," shall be inserted. The words "hereinafter provided" merely refer to the manner in which it is to be done, but it fixes the amount at \$1 per day. These men are all over the age of 62, and there is no occasion for inserting that limit in the bill.

Then, I will propose to strike out all of section 1, after the words "hereinafter provided," as they will appear in the section as I propose that it shall be amended. That will eliminate the elaborate classification. I propose to strike that out, because it will all have been expressed in the words they shall—be placed upon the pension rolls and be entitled to receive a service pension of \$1 per day, as hereinafter provided.

The "hereinafter provided" merely relates to the manner in which the money shall be paid. I propose further to leave in the provision with reference to the War with Mexico, because that is existing and established law. There is no occasion for the words "62 years of age or over and who are" in lines 7 and 8, on page 5.

I would strike out the reference to attorneys' fees. I would make no provision, except that there should be no attorneys' fees paid out of the amount of the pension, directly or indirectly. The men who need these pensions ought not to be the victims of agents or attorneys. There is no community in the United States where an old soldier need pay one cent to have any paper connected with his pension drawn or sworn to. If there is such a community, it ought to be blotted off the map. I have had an opportunity to watch the pension business since the first pension bill was drawn, and I have kept pretty close to it to see that these old men were not made the victims of anyone's greed for gain.

Mr. President, I do not know that I will meet with any success in attempting to place these patriots on the same footing. The offer was as much on the part of the poor soldier as on the part of the rich, the scholar, or the man who was not a scholar, because he offered the termination of his life. There is nothing to be added to that. There are across the river rows of monuments and headstones over those who made the sacrifice, and there are throughout this country from end to end hundreds of thousands of living monuments of those who were willing to make that sacrifice. I would make no difference in point of honor between the officer and the man in the ranks. The officers alone could not have won in that strife.

Mr. President, it has been suggested to me by the Senator from Minnesota [Mr. CLAPP] that the adjutant general in each State should make provision for the preparation of the pension papers in all cases, and that there is no occasion for having any provision in this bill in regard to it. I agree with him, and go further, repeating that I know of no place where there are not one or more men who have the sympathy and the ability to furnish all the assistance necessary to a soldier to get his pension. I need not be personal about it further than to say that in a long life of practice I have never charged one of these old soldiers a dollar for any kind of professional service I have rendered him, and I am only one of hundreds of thousands. It is enough for me to know that they stand as the representatives of all that was necessary to meet that great crisis.

I do not like dividing these men up into classes for the purpose of recognizing an act single and common to every one of them, an act which was great in one as another. I see no

occasion for such a classification unless we are undertaking to frame this bill on the basis of the payment of arrears to soldiers, and we are not. If we are, then we should be ashamed of ourselves and the Government of which we are a part.

This is not a partisan question. Men, be they Senators or not, in any part of this Chamber or without it, recognize acts of patriotism and bravery as being worthy of recognition by the responsible Government, which stands for the principles that were behind the actions of those men.

It is not for the bravery of men that we pension them; it is because of the fact that they offered all they had. If we were only to pension them according to the measure of their bravery, we would have to go into an investigation of all the scandals of the war for the purpose of determining which individuals were entitled to pensions. There is not a man that would come within the provisions of this bill as I propose to offer an amendment to it that can to-day earn a livelihood. There are hundreds of thousands of men in the United States entitled to pensions who will never claim them. They should not. The pension, while being a recognition of the act, is a matter in regard to which the pensioner himself must act the responsible part of claiming it or not.

Mr. President, I would amend the bill as it came from the House, if it were before the Senate, to conform to the same principles that I have undertaken to express in the amendments that I have suggested to the bill now before the Senate in the nature of a substitute. I would amend every bill that is proposed so as to conform to those lines, because they are just.

Why, we are treating these men as though we were their masters. We are dealing with these old soldiers as though we were their masters and they were supplicants at our hands for a pittance to preserve them from discomfort or death. There was a time when those men were our masters; when, had they ceased in the performance of their duty, we would have had no opportunity to stand here like pouter pigeons dealing out something to them as though it were alms, swelling ourselves up with claims of patriotism and pride and saying, "I am willing to give the soldiers who served two years so much, and those who served one year so much, and those who served nine months so much. I am willing to allow it to them."

I have heard that expression right here in debate, "I am willing," forsooth, "to allow so much to the men who saved not only my poor hopes and destiny, but saved the hopes and the destiny of all the people of their own generation and of the generations to follow."

There was never in the history of the world the performance of men that accomplished such great good as was accomplished by those men. Other soldiers have kept the thrones for kings. Other soldiers have been able to turn the tide of one monarchy against another. Other soldiers have been able to seize new countries and subjugate them.

But this was a soldiery that stood for the preservation of a country that stood then, and stands now, on a higher plane of civilization than any other country in the world. It may be worth while to save a monarchy and yield your life for it. It may be worth while to keep some petty king upon the throne, and even sacrifice your life or your welfare for him. But it is countless times greater to offer your life and make the sacrifice to maintain the Republic of the United States—the only republic that was known in that day, or has been known since, that is worthy of the name.

Eighteen hundred and sixty and eighteen hundred and sixty-one. Have you reviewed the conditions represented by the American Government and the American people at that period and compared them with those of to-day? Have you given thought as to the inevitable consequence of the destruction and disruption of this Government in that great struggle? And with that as a basis have you undertaken to estimate the value of the services of these men, the meed of honor that is due them, and has stood as their meed from that day to this? Have you undertaken to estimate what is due to the old man who, in that day of his boyhood or young manhood, paid this price, and not only paid it but got the goods for it? Have you undertaken to estimate that and then say, "Oh, I am willing he shall have, yes, say, eleven or twelve dollars a month;" and then say, "This is a matter to be agreed upon in conference. We may agree to give him thirteen?"

Great God! He gave you a country and you would give him \$13 a month after he had passed beyond the age or condition in which he could gain the bread for his daily subsistence. Men compare the cost of this and that pension bill with the cost of other departments of the Government. Do you realize that there would have been no other costs and no Government except for these men in the aggregate? And yet there have been times when a handful of them represented the



millions that constituted the aggregate in preserving the destiny of the Nation.

Do you remember when Gen. Pleasanton held the whole Southern Army in check, in order that our Armies might form and make a successful defense, with the loss of practically every man with whom he went into the fight? Do you remember when that little company from New Jersey, enlisted in the stores and the banks and the schools of New Jersey, went out 100 strong, and how, when they came out of the Battle of Chancellorsville, there was 1? And I saw him with his arm shot off. That was all that was left when that sacrifice was paid. Yet you would stand here and talk about what they did, this man and that.

I distinguish this from the class of pensions for disabilities. I have sought, by the amendment I propose, to limit it by express terms so that it will not include pensions for disabilities. This is a different class of recognition, in this ripe hour for recognition of men and men's deeds that are the foundation to-day of the Nation, united forever.

Those men are responsible for it, the dead and the living. The dead did not win the battles. They only died for their country. It was the living men who won the battles, who carried the lines of their enemies, who brought home to glory the flag. It was the living men who did these things, and we are dealing with them to-day. We are not dealing with monuments to the dead.

Day after day I have seen the distinguished Senator who is chairman of this committee rise when pension bills were under consideration, and I have heard him enumerate sometimes a dozen soldiers, and say, "I move that their names be stricken off. They have died since this bill was reported."

Mr. President, I do not feel like prolonging the discussion of this question, because I seem to have a consciousness that the lines are laid, and that we are going to do something for the soldiers. Great God! Think of the sarcasm of that, "We are going to do something for them!" It is a piteous statement.

Why to do anything for them? If you are going to measure it by gills, why do anything for them? They will soon die and go to their reward, the greatest reward—they will live in the hearts of their countrymen.

Mr. SIMMONS. Mr. President, in expressing my opposition to this measure I shall be as brief and as conservative as possible, and as I do not desire to enter into any controversy upon this question, I hope I may be permitted by my colleagues to proceed without interruption.

The first pension act, that of June, 1862, granted a pension for disability. It was a pension granted to make good to the soldier any incapacity for the performance of manual labor directly traceable to a wound, injury, or disease incurred in the line of duty.

In 1890 a change was made in the law, and a pension was granted to all soldiers who were incapacitated for manual labor, without regard to the origin of the incapacity.

Again, in 1907, another change was made in the law, and the age of 62 years and over was declared of itself a specific disability, and pensions were allowed to all who had served 90 days, and had been honorably discharged, the rating being dependent on age. At 62 years the pension was \$12 a month; at 70 years, \$15; at 75 years, \$20.

The widow, the children, and dependent parents and brothers and sisters of the soldier were also allowed pensions by these several acts—first, where the cause of death of the soldier originated in the line of duty. Later, the widow and the minor children of the soldier were allowed pensions where she was or they were dependent, without any regard to whether the soldier's death was caused in the line of duty or not. Later pensions were allowed to the widow and the surviving children of soldiers of the Civil War, who had served 90 days and had been honorably discharged, without regard to whether they were dependent or not dependent.

As broad and liberal as this general legislation is, there have arisen cases of peculiar hardship that have led to particular relief. There have been passed 35,987 special acts, chiefly to increase the pensions of particular individuals, and many of them have been for the benefit of widows. The tendency seems to be to enlarge the use of special legislation. The Fifty-sixth Congress passed 1,391 special pension acts; the Fifty-seventh Congress, 2,171; the Fifty-eighth Congress, 3,355; the Fifty-ninth Congress, 6,030; the Sixtieth Congress, 6,000; the Sixty-first Congress, 9,631; and it is stated that there are now pending before the House committee about 10,000 bills for special pensions. Of the 6,030 beneficiaries under the acts of the first session of the Sixty-first Congress, only 563 were new names;

5,500 were already on the roll, the object of these bills being simply to increase the pensions.

Under this legislation every soldier of the Civil War who served 90 days and was honorably discharged is entitled to be on the roll, and probably, practically all of them are on the roll. The widows and minor children of such soldiers as have died are also provided for.

Up to June, 1910, there had been pensioned 1,153,626 soldiers, of whom there were then alive 562,615. In June, 1911, there were 529,884 soldiers on the roll, and 295,707 widows of soldiers. The payments to these widows and to the children of soldiers amounted to about \$45,000,000. The payments to the soldiers amounted to about \$105,000,000. The payments to the soldiers of the Regular Establishment, of the War with Spain, and the Mexican and Indian Wars, make up the residue of the disbursements.

Mr. President, the acts of 1907 and 1908, it was thought by many, filled the measure of our patriotic duty to the soldiers and their widows.

It is now proposed to unsettle what was then settled. It is not proposed to admit others to the rolls, for the rolls have, for four or five years, been open to all. It is proposed to increase the pensions of those already on the lists, whether the soldier needs the increase or does not need it, whether the soldier is rich or poor.

The bill the House has sent us, the so-called Sherwood bill, provides that any soldier who served 90 days in the Civil War, and less than 6 months, shall receive \$15; anyone who served 6 and less than 9 months, \$20; anyone who served 9 months and less than 1 year, \$25; anyone who served 1 year or more, \$30 a month.

Under that bill 44,510 men would be rated at \$15, 35,552 at \$20, 72,114 at \$25, and 376,218 at \$30.

Necessarily the result would be a large increase in the amount. On page 13 of a compilation made for the use of the Senate, the Secretary of the Interior shows that the increase would aggregate \$75,651,000.

The increase for the 3 months' men foots up only \$787,000; that for the 6 months' men, \$2,435,000; that for the 9 months' men, \$7,619,000; for the 1 year men, \$64,809,000.

On page 14 of that document, the Secretary of the Interior estimates the pensions of 357,474 one-year men, under the act, at \$128,690,640; and as their increased pay would be \$64,000,000, it follows that the proposed bill would just double the pensions of these one-year men, or just about double the pensions of more than one-half of all the men who are now on the pension roll. The average value of each pension under the act of 1890 is stated at \$143; under the act of 1907 is stated at \$173; under the proposed act it would be \$336, or just about double the value of pensions under the act of 1907.

The expansion of the pension system in 1907 and 1908 was regarded, as I have said, by many, at least, as filling the measure of our patriotic duty to the soldier and his widow and minor children.

Admitting, as I freely do, the country's patriotic duty to its war veterans, it should not be overlooked, it seems to me, that there are other interests besides that of the soldier to be considered. The interest of the taxpayer should not be disregarded.

We can not give, Mr. President, to one class without taking from another.

In our human experience there is no manna falling from heaven. What the Government gathers up comes from the pockets of the people. It is drawn from the community. Every family bears its part of the burden.

If, in the first instance, it is paid into the Treasury by merchants, the farmer, and business men, by manufacturers and men engaged in large transactions, they cast it as a burden on business, and it is distributed among the public generally.

It becomes an incubus on industry.

It rests in part on the shoulders of the workmen.

It falls in part on the clerks and salaried men.

Business men charge it back, without any diminution of their profits, on the masses who must eventually pay it.

Do the just demands of patriotism and the financial condition of our country and our people justify us in adding \$75,000,000 a year to the burden of the people, a part of it going to swell the pensions of the well to do as well as the poor? That they do not, Mr. President, has been recognized by the Senate Committee on Pensions in the substitute measure it has reported to the Senate.

Mr. President, for the first 10 years after the War between the States, when we had many wounded and disabled soldiers to care for, the annual pension roll did not reach \$30,000,000. No

one will question but that patriotic generation did its full duty by the suffering heroes who were victims in the great struggle.

For the next decade the annual expenditure was less than \$60,000,000, but by 1890 pensions had reached the \$100,000,000 mark.

Since 1890 we have distributed in pensions nearly \$3,000,000,000.

In the history of the world there has never been any display of liberality that approximates this great expenditure. The combined pensions of the four greatest powers of Europe are stated at only \$129,000,000, and I risk nothing in saying that our pension list is larger than that of all the balance of the world.

Comparing our expenditure for pensions with that made by our patriotic forefathers because of the Revolution, we find that we are now expending in six months as much as they allowed in 50 years for the men who won our independence.

To the patriots who dared to rebel against the most powerful Government of the world and break the ties of friendship and of kinship; who served seven long and weary years; who suffered at Valley Forge; who starved in winter on the Hudson; who underwent the horrible deprivations and sufferings under Greene at the South; who experienced the horrors of the prison ships, our forefathers allowed all told only \$70,000,000; we pay to-day to men and women, but few of whom ever received a wound in battle, more than \$150,000,000 a year. Such liberality has no parallel in history.

My opposition, Mr. President, to this bill is founded on considerations which ought to influence a Senator legislating in behalf of the whole country and not in behalf of any section of the country. And yet, Mr. President, the people of the Southern States necessarily occupy, in respect to its effects upon them, a peculiar position toward this question.

It is not necessary for me to make any particular protestations or representations with respect to the patriotism of the people of North Carolina or of the Southern States. Their general action during the last 50 years attests their patriotism. Their action in the war which has just passed attests their patriotism. We have heretofore acquiesced in such action as the northern people have desired for the benefit of the old soldiers. But there are two circumstances that differentiate the two sections with respect to the effect of these pensions: First, of the vast sum of \$4,000,000,000 that has been paid in pensions, only a small fraction has been disbursed in the South. The disbursement has inured largely to the advantage of the richer and wealthier sections of the North and the East and the West. Second, the South has, in addition to the burden of paying its proportionate part of the national pensions, a duty to perform toward the old soldiers of the Southern States.

I know the generous hearts of the northern people applaud our efforts to care for the old and decrepit Confederate veterans who fought so bravely in the time of the great war. I know they sympathize with our sentiments of veneration and filial piety toward those men whose courage and endurance reflect credit on American citizenship. Without reference to the cause in which they displayed their splendid manhood, their devoted self-sacrifice, their magnificent spirit of patriotic ardor, all men applaud their constancy, their endurance, their personal bravery and heroism. We have a duty toward them which we seek to perform according to our pecuniary ability. In this no one else has a share. It is a filial as well as patriotic duty that rests alone on the South.

Thus there are two circumstances that differentiate the people of the Southern States from those of the Northern States in the matter of pensions, namely, the unequal distribution of the expenditure and the additional duty resting on the Southern States.

Mr. President, I am not unmindful of these two circumstances, but I want to repeat with all the emphasis that I can command that my opposition to this bill is based upon such considerations, and only such considerations, as ought to influence a Senator acting for the whole country.

Mr. President, during the 11 years I have been a Member of this body I have never opposed any special or general pension legislation. I have introduced many special bills in behalf of my own constituents, and I have sought with as much zeal to secure their adoption, when I thought they were entitled under the laws of the country to what they asked, as I would seek to secure a pension for an old Confederate soldier under the scant provision that my people have been able to make in their behalf. I do not recall that at any time Senators who come from the same section of the country that I come from have heretofore opposed legislation either of a special or general character providing pensions for the old Union soldiers. We have, up to this time, acquiesced in this legislation.

Mr. President, it is sought to justify this doubling of the pensions of the old soldiers upon the ground that they are needy. And yet there is no provision in the bill to limit the increase to those who are indigent.

It is proposed to increase the allowance of those who are prosperous and independent in the same degree as those who are poor and needy.

I do not know what per cent of the Union soldiers are of the one class and what are of the other class, but I do know that the Union soldiers who survived the war, as a rule, were not weakened in the struggle for life as a result of that contest. On the contrary, they were rather strengthened through the experience and training they acquired in that service. I know that many of them went back to the walks of life and at once became potential factors in the industrial enterprises that have wrought the great prosperity that has in recent years come to our common country. They became active participants in the business life of their community, becoming leaders in every line of endeavor. Many of them are to-day among the most prosperous and independent citizens of the community in which they live, many of them have amassed fortunes. If this bill confined its benefactions to those who are really needy there would be some slight justification for the increase proposed, but it does not; on the contrary, it increases the allowance to the rich and prosperous as well as to the indigent and needy.

Mr. President, I have a great admiration for the bravery and the patriotism of the Union soldier. I think the men who followed Grant and Sherman and Sheridan during those four long, bloody years were the bravest and most patriotic men who ever went to battle, save only those who followed Lee and Jackson, who were equally as brave and patriotic.

I would not oppose a measure that in my judgment measured only the patriotic duty toward the old Union soldier; but in the face of the liberal legislation that has marked the years that have gone, constantly liberalizing and broadening our policy toward the old Union soldiers until every man who shouldered a musket and went to the war in defense of the Union is now on the roll or may be put on the roll, when it is proposed in this bill to double the pensions of more than one-half the men on the roll, I can not find it in my conscience to give my support to that measure.

Mr. CLAPP. Mr. President, it is not my purpose to make a speech upon this bill. I realize that the lines are drawn and every Senator probably has decided how he will vote. But there are scattered through the country thousands of these old men who, in addition to the small amount the bill provided for, may feel that their services are remembered, and may feel some comfort and cheer in the thought that their cause is championed upon this floor.

The Senator deals with the question of the amount required by this bill. He says that manna does not come down from above. Mr. President, I was a small boy when the war broke out. I remember how the northland was thrilled when there stood forth that matchless champion, Stephen A. Douglas—Lincoln was then but little known and was untried—and when there fell from the lips of Douglas the words, "This Union must and shall be preserved," it sent a ray of sunlight and hope to every northern home, and it did seem as though it was manna from heaven.

The months rolled on and a great army of young men sprang into existence, and we began to realize that, notwithstanding all the sophistry of the preceding two generations, there was a sentiment in this country that the Union should be preserved, and that the Union would be preserved by the youth of the country; and it seemed again as though manna was descending from heaven.

Mr. President, I can not undertake to pay fitting tribute to the memory of the soldiers. The grave that marks the last resting place, the empty sleeve, aye, even the bowed form, the silvered crown of those who in the long, long ago risked their all that this Union might be what it is to-day, speak more eloquently than any human tongue. The thought of computing the cost of a just recognition to these men is, to my mind, beyond the pale of consideration at this time. It is not a question of how much this will cost, but it is a question of how near this will be toward being a just recognition of that debt of gratitude and patriotism which we owe these men.

I shall vote for the Sherwood bill. I shall vote for the amendments intended to be proposed by the Senator from Idaho [Mr. HAYBURN], and if we can not get the Sherwood bill with those amendments, then I shall vote to get the best which we can get. For 11 years I have waited until the hour might come when we could do this tardy justice, and I will not longer



delay this vote, which I so long have looked forward to, by trespassing further upon the time of the Senate.

Mr. KERN. Mr. President, in accordance with instructions from my party in Indiana, and in accordance with the will of the people of that Commonwealth, I shall vote for the most liberal proposition that shall be made here on behalf of the surviving soldiers of the Union.

I have listened with deep interest to the Senator from North Carolina [Mr. SIMMONS]. In listening to him I realized most fully and keenly the wide divergence there naturally is in the angles of vision from which we view this great question. On one side there are men from the South here who were not born when the war ended. I appreciate how difficult it is for them to understand the magnitude of the struggle and understand the wonderful work accomplished by the million or more men who, from 1861 to 1865, walked on the outermost ridge of battle into the jaws of death, into the very mouth of hell; who underwent the rigors of campaign life, the perils of battle, and the horrors of prison life, to the end that this Union might live; to the end that we might enjoy the great material prosperity which is now enjoyed by all our people. That is the situation on one side—a lack of sentiment on the one side—while on the other side is raised the cry of economy. The proposition is baldly made here that this great, splendid Republic, the greatest and richest Nation on the face of the earth, can not afford to do that which all men concede is justice to the men who saved the Union. Between the two rocks the old soldiers of the country suffer.

My friend from North Carolina awhile ago undertook to compare the cost of pensioning the Revolutionary soldiers during the first 50 years of the Republic with the cost of pensioning the great army of soldiers of the Union who now survive. Was that a fair comparison? Why, there were more men killed and wounded in one battle of the Civil War than Washington ever had under his command at any one time.

Did the Senator from North Carolina ever stop, when making the calculation as to the amount of money paid to the Revolutionary soldiers 25 years after the Revolutionary War ended, to compare the proportion that the amount paid for pensions bore to the total expenses of running the Government in those days? Did he stop to compare the total amount paid out for pensions with the wealth of the Nation in those days? The pension list was larger at the time referred to by the Senator in proportion to the expenses of the Government and in proportion to the wealth of the Nation than it now is.

The Senator has stated that 20 years after the Civil War was over our pension list only aggregated about \$30,000,000. That is a fine compliment to the survivors of the Union Army—a splendid compliment. Twenty years after the war was over the average age of those soldiers was perhaps from 42 to 45 years. Those soldiers, able to work, strong in their pride, disdained to ask justice even at the hands of the Government they had saved. Another decade passed by, as he said, and the pension list had only then grown to \$60,000,000. Those men were still able to earn their bread by the sweat of their faces, and the great mass of them asked nothing of the Government. But now, after the war has been over 47 years, these men are old, decrepit, broken; and in their extremity they come to the Government and ask for recognition for the splendid service rendered by them in the days gone by.

When other great propositions have come before the Senate calling for the expenditure of hundreds of millions of dollars, have voices been raised here pleading the poverty of the Nation? When the proposition was made to build the Panama Canal and expend some hundreds of millions of dollars in that project, was any voice raised here asking the question where the money was coming from? Were there any spasms because of the prospect of a bond issue then? Not at all; for the reason that this Nation was so great, so rich, and so strong that it would have seemed contemptible for anyone to have stood here and urged the poverty of the Nation as against such a great, splendid enterprise as that.

I will not go into that question now, for I went into it the other day; I did not rise for that purpose; but since I addressed the Senate a week ago I have received many hundreds of letters from old soldiers all over the country, from New York and Pennsylvania, Nebraska and Kansas, California and Oregon. I think it would be well if I should read to the Senate a few extracts from some of those letters as giving the sentiment of the soldiers throughout the country. I have a letter here from Lancaster, Pa., from a man who says that he is—

The only survivor of four brothers, three of whom gave up their lives in battle. The eldest was shot six times and scalped by Price's Indians at Pea Ridge, Ark.; the next was shot through the head at Rolla, Mo.; and the third was killed at Stone River.

The writer states that he was wounded at Petersburg. He says:

Thank God, my wound, although shot through the hip, never so far incapacitated me from all labor, and for 28 years I have worked night and day, and by privation and self-denial I can live independent of a pension, and, so far as I am concerned, this great Government can keep my pension; but there are a few that I know that are so situated that the dollar per diem would be a godsend to them and to many of the brave men who saved the Nation.

I have here a letter from Cincinnati, Ohio, from a soldier who served in a Massachusetts infantry regiment for 3 years and 10 months, who urges the adoption of the Sherwood pension bill or one similar to it. From Naval Post 516, Grand Army of the Republic, of New York City, comes a letter from the chairman of the committee warmly supporting the Sherwood pension bill. I have a communication from a number of soldiers in the National Military Home at Dayton, Ohio, urging the passage of the bill and concluding the letter in these words:

All eyes of the veterans here are now resting on the Senate, as the House has done its duty in voting 229 for the Sulloway bill and 262 for the Sherwood service pension bill. We hope it may pass.

From Goshen, Ohio, comes another letter from an old soldier warmly indorsing the Sherwood bill; one from North Beach, Md.; another letter of the same kind from Philadelphia; another from Westboro, Mass.; a strong letter from a soldier who belonged to the Thirty-fourth Regiment of Massachusetts Volunteer Infantry, who says that the Sherwood bill is what is demanded by every soldier with whom he is acquainted.

From Boston comes a letter from a man who enlisted in 1861 at \$11 a month, and in 1863 reenlisted and served nearly five years, urging the enactment of this law.

I have another letter from the town of Young, Ohio, which contains a similar demand; one from a soldier of the One hundred and thirty-third Pennsylvania at Harrisburg, in that State, who declares that the soldiers of Pennsylvania are a unit for the passage of the Sherwood bill; another from New York City, which, in very strong language, urges the Senate to do justice to the soldier. I have also a letter from a member of the One hundred and fiftieth Pennsylvania Volunteers—the Bucktails. He says:

The soldiers saved the Union from destruction. The old soldier is not played out yet—not by a gunshot—even in the politics of the country, as some people may discover in the near future. He is still on the picket line watching, ready with his gun for "Who comes there?"

From Rochester, N. Y., an old veteran writes:

I do not belong to the same political party that you do. \* \* \* I joined the Union Army in 1862; was wounded at Gettysburg, and taken prisoner on field at Battle of Wilderness, May 5, 1864; spent five months at Andersonville and five months in Florence, S. C.

He urges the passage of the Sherwood pension bill.

I have another letter from Newark, N. J., from a member of a New Jersey regiment, who says:

I am a veteran of the Civil War, nearly 69 years old, and for two years have been unable to work. Wife and I, by prudence and economy, have succeeded in maintaining our little fireside up to this time. Our meager savings of the past are now exhausted, and, with the exorbitant cost of commodities, it is a struggle to obtain the required necessities to maintain our existence.

He simply asks that justice be done to him as a soldier and to his comrades. From Covington, Ky., comes a letter from a soldier—a very long and very forceful appeal for simple justice.

These old soldiers are putting their claims not upon the ground of mendicancy, not upon the ground of poverty, although most of them are poor, but because they feel, and rightly feel, that this Government owes them a debt which can not be paid.

I have a letter here from Keene, N. H., from a lady who says she is only an ignorant old woman. She is a soldier's widow, and says:

Perhaps it is glory enough to have them get the band out on Decoration Day and drop a wreath on the grave of the dead; but ought they not to give those old men and their near ones not only the bare necessary things, but some of the care and comfort their old age craves?

From Springfield, Mass., comes a similar letter. From Gen. Robert P. Kennedy, of Bellefontaine, Ohio, a man who was breveted brigadier general at the close of the war, one of the prominent Republicans of Ohio, comes a letter urging the passage of the Sherwood bill.

The old soldiers of the Army—

He says—

owe to the Senators who stand for the bill a debt of gratitude for their fearless, outspoken defense of their cause, and as an old soldier and a Republican, I desire to tender to you, a Democrat, my thanks and congratulations for your action.

And so I might go on here for an hour, Mr. President, reading extracts from such letters, the sentiments of many of which are touching indeed. All of these letters indicate that the soldiers, the men who are interested in this legislation, are almost to a man opposed to the McCumber or Smoot substitute

and are in favor of a measure that will give them the relief they need and will make their pathway down to the grave a little more pleasant.

Mr. SMITH of Georgia. Mr. President, I send to the desk and ask to have read two amendments to the pending substitute.

The VICE PRESIDENT. The Senator from Georgia asks to have read two amendments, which at the proper time he proposes to offer. The Secretary will read as requested.

The SECRETARY. It is proposed to add as a new section the following:

Sec. 5. That no pension shall hereafter be paid to a nonresident of the United States except for injury or disease of service origin, nor shall the nonresident widow of a soldier hereafter draw a pension except where the death of the soldier was of service origin.

Also the following:

Sec. 6. That no person with an annual income of \$1,200 or more, whether the same is derived from a salary or from property, or from both combined, shall receive any pay as a pensioner under this act or any existing law except where such person is suffering from an injury or disease of service origin, but the name of such person who has so served in the military or naval service of the United States and who has been honorably discharged therefrom may remain upon the pension rolls as an honorary member thereof.

Mr. SMITH of Georgia. Mr. President, no one responds more fully than I do to the beautiful tributes which have been paid to the heroes who wore the blue and who wore the gray. It is a delightful realization of the perfect union that exists in all parts of our country that, without regard to party or to section, such speeches can be made here and find a response in every heart. It is indeed difficult listening to such just tributes to preserve our legislative reason and to legislate with full comprehension of all our responsibilities, rather than to yield to our hearts and turn the entire Treasury over, if necessary, in response to our patriotic sentiments.

But I wish to call attention to a few facts which, it seems to me, have not yet been mentioned, but which ought to be a part of the record before our vote is taken.

The Secretary of the Treasury has advised that for the fiscal year ending June 30, 1913, we may expect a revenue from ordinary receipts of \$667,000,000. The chairman of the Appropriations Committee of the House of Representatives estimates that if payment is made to the sinking fund as required by law and the other ordinary appropriations are made for the next year, there will be a deficit according to present conditions of about \$27,000,000.

Be that as it may, I shall not stop to discuss it. The proposition which we now confront comes to us in the shape of a bill and a proposed substitute. The original bill would increase our pension appropriations for Mexican soldiers and soldiers of the Civil War from \$150,000,000 a year to \$225,000,000 a year, thus adding 50 per cent to the present annual sum. The substitute proposes to increase our pension payments \$30,000,000 a year.

One would almost think, to listen to the eloquence of some Senators, that our Government has been niggardly in the matter of pensions. Let us stop and calmly, as business men, candidates for no office and contemplating nothing of the kind, look at the balance sheet and see how the Government has acted. Next year we hope to have \$667,000,000 from ordinary receipts. Nobody questions that we are to give to pensioners of the Civil War \$150,000,000—nearly one-fourth of our entire revenue to pensioners of the Civil War. Now, there are other things that we must do for the welfare of the public which we can not abandon.

Mr. SHIVELY. Mr. President—

The PRESIDING OFFICER (Mr. CURTIS in the chair). Does the Senator from Georgia yield to the Senator from Indiana?

Mr. SMITH of Georgia. Certainly.

Mr. SHIVELY. Is not the Senator mistaken as to the \$150,000,000? Does not the pending pension appropriation bill, prepared to meet the demands under existing law carry a total of only \$152,000,000, which, of course, includes all pensions to the soldiers of the Spanish War?

Mr. SMITH of Georgia. No. I will answer the Senator by calling his attention to the fact that on June 30, last year, according to the report of the Commissioner of Pensions, we paid \$148,000,000 to pensioners of the Civil War, and the special pensions which have been added at this session will probably carry the amount up to \$150,000,000 to the pensioners of the Civil War alone. The pensions paid to soldiers of all wars was about \$157,000,000.

Mr. SHIVELY. I think, if the Senator will take the pension appropriation bill as it came from the House, he will find on the first or second page that the appropriation on account of all pensions is fixed, I think, at \$152,000,000.

Mr. SMITH of Georgia. I do not know what the bill as it came from the House provides, but I know what we paid last year, and I know that the report of the Commissioner of Pensions shows that \$157,322,160 was paid for pensions last year.

Mr. SHIVELY. If the Senator please, that is true; but the appropriation proposed in the pending pension appropriation bill is upward of \$5,000,000 less than for last year.

Mr. SMITH of Georgia. I should like to ask the Senator if he would amend the Sherwood bill so as to provide that the total amount of pensions should not exceed \$152,000,000, and that if it shall be found that the Sherwood bill requires an amount in excess of that sum, then that the excess amount should not be paid, but that the pensions should be reduced?

Mr. SHIVELY. I ask the Senator whether he believes that such an arbitrary principle is consistent with scientific legislation?

Mr. SMITH of Georgia. I think it could be worked out scientifically. Beyond any question, with an appropriation limited to \$152,000,000, the Pension Office could take the number of pensioners and pro rate the amount. It seems to me that a misapprehension has existed as to the amount we have paid and are paying for pensions. For the fiscal year ended June 30, 1911, we paid over \$157,000,000 for pensions. Nearly one hundred and forty-eight millions of that sum was to the pensioners of the Civil War alone. With the special pensions passed at this session, it is reasonable to estimate that, according to the law as it stands, the amount paid to the pensioners of the Civil War will be practically one hundred and fifty millions.

That is nearly 25 per cent of our next year's revenue. The proposition is to pass the Sherwood bill and add seventy-five millions more. That would be two hundred and twenty-five millions. That would be about one-third of the entire income of the Government.

Mr. SMITH of Michigan. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Michigan?

Mr. SMITH of Georgia. Yes.

Mr. SMITH of Michigan. The statement of the Senator from Georgia is, of course, very interesting. Right at that point I should like to suggest to him that our generosity to the soldiers of the Civil War will hardly be called such if the Senator will examine the generosity of this Government to the soldiers in the American wars preceding the Civil War. It may be interesting to the Senator from Georgia to know—

Mr. SMITH of Georgia. Mr. President, I should be glad to have the Senator ask me a question.

Mr. SMITH of Michigan. I am about to do so, in just a moment.

Mr. SMITH of Georgia. All right.

Mr. SMITH of Michigan. It may be interesting to the Senator to know that there were given to the participants in the American wars prior to the Civil War 68,791,000 acres of land; and that the men who shared in the generosity of the Government were none other than Gen. Lee and Gen. Hancock and other men whose services for the Union prior to the Civil War were very distinguished.

Mr. SMITH of Georgia. I have listened for the question of the Senator, and he does not propound it.

Mr. SMITH of Michigan. I will leave that to the Senator to determine. I presume I did not. I intended to interrogate the Senator.

Mr. SMITH of Georgia. But even if he did not propound a question, I am glad to have yielded to him.

Undoubtedly large quantities of land were given to the soldiers of the Revolutionary War. At the moment the Senator interrupted me I was not referring to the soldiers of the Revolutionary War, however. I was referring to the soldiers of the Civil War. Later on I may make a comparison between what has been done for the two. All that I was seeking at this time to show was that if we added \$75,000,000 annually to our present appropriations, according to the terms of the Sherwood bill, we would be giving about one-third of our entire income for next year to pensioners of the Civil War. I was not even commenting upon the fact that this was more than we gave soldiers of the Revolution.

Mr. SMITH of Michigan. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Michigan?

Mr. SMITH of Georgia. Certainly.

Mr. SMITH of Michigan. I just want to say to the Senator from Georgia that I was not referring entirely to the Revolutionary War, either. I was referring to the Mexican War and to the part that was taken in that war by distinguished men from the South, who were not above asking the Government to reward them for their military service and who accepted with a



great deal of satisfaction rewards that were exceedingly liberal, as the Senator from Georgia will see if he will look into the matter, and were probably deserved.

Mr. SMITH of Georgia. Mr. President, I am criticizing no one for receiving liberal contributions from the Government. I am making no criticism. I am only stating facts. I am only calling the Senate's attention to the naked fact that seventy-five millions more would make the appropriations to the pensioners of the Civil War take one-third of the entire revenues of the Government for the next fiscal year. However much may have been given in the past to other soldiers of other wars, however much we may wish to give now, it is well for us to know what we may be about to do. We are urged to appropriate to pensioners of the Civil War one-third of the entire revenue of the Government for the next fiscal year.

We are urged to do that, Mr. President, when the present appropriations, according to the estimate of the chairman of the Appropriations Committee of the House, will exceed the revenue by \$27,000,000.

If we make this increase to pensions we must take up our other appropriation bills and cut them all to pieces. I sympathized very cordially with the expressions of the Senator from Iowa when he called for a careful revision of public-building appropriations. I expect to vote with him on some motions to reconsider bills that I did not understand when they were passed. Being a new Member, I am not so thoroughly initiated as to understand the propriety of passing appropriations here and relying upon the House to kill them. I will join the Senator from Iowa and vote for no appropriations here that I do not wish paid. I do not think the Senate can commend itself to the country by voting for appropriations that the Senate does not approve, relying on the House to kill them. But I will remind the Senator from Iowa that it would take a thousand public buildings to cover the seventy-five millions of increase that would be made under the Sherwood bill. The bill for the post office at Sundance only provided for an expenditure of \$75,000. It would take a thousand buildings of that kind stopped by the Senator to get the seventy-five millions that he would add to the pensions.

I am not antagonistic to the views of the Senator on his other criticisms, which applied to savings through economies in the direction of barber shops and duck suits. But it would take more than a million of those saved to make his \$75,000,000.

Mr. KENYON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Iowa?

Mr. SMITH of Georgia. Yes.

Mr. KENYON. Does not the Senator think that in the next 30 or 40 years there may be that many duck suits, that would amount to that sum?

Mr. SMITH of Georgia. I do not think they will amount to \$75,000,000.

Mr. WILLIAMS. There would not be that many men to wear them.

Mr. SMITH of Georgia. I commend and sympathize with the desire of the Senator from Iowa to look over the list of expenditures, wherever they are made where he thinks they ought not to be made, and make a saving. But if we cut off every single expenditure in the Senate, if the whole expense of the Senate were stopped, I think we would save only about a million dollars.

Mr. KENYON. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Iowa?

Mr. SMITH of Georgia. Yes.

Mr. KENYON. I do not wish to interrupt, but as the Senator has referred to some things I have said, I should like to ask this question: Does the Senator believe the statement of a distinguished Republican Senator, now retired from this body, that the Government could be conducted for \$300,000,000 a year less than it now is?

Mr. SMITH of Georgia. I think if that were done we would have to save part of it by reducing the \$150,000,000 for pensions.

Mr. KENYON. Does the Senator think that is what he had in mind?

Mr. SMITH of Georgia. I think that must have been part of it. I do not believe the general administration of the Government could be conducted with a saving of \$300,000,000 a year and leave \$150,000,000 for pensions. I do not believe it would be possible to run the balance of the Government for a little over \$150,000,000.

Mr. KENYON. I am glad if the Senator agrees with my proposition as to the barber shop and the bath rooms. He is the first Senator I have known that did. But the Senator refers to the passage of bills by the Senate to be defeated in the

House. Is not the Senator now engaged in trying to defeat here a bill that was passed in the House and sent over here?

Mr. SMITH of Georgia. I am. I would vote for no bill that I did not approve, hoping the House would not pass it; and I would vote for no bill that the House passed if I thought it ought not to be passed.

Mr. KENYON. The Senator believes, I assume, that the House passed this bill in good faith?

Mr. SMITH of Georgia. I object to being interrogated as to the purposes of the House.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. BACON. That would be a violation of the rules.

Mr. SMITH of Georgia. I do not think I have any psychological capacity to judge of the motives of the House. I presume, of course, they were all good.

Mr. SHIVELY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Indiana?

Mr. SMITH of Georgia. Yes.

Mr. SHIVELY. A moment ago the Senator had the kindness to yield to me to suggest that his statement as to the amount of pensions appropriated on account of the Civil War was an exaggeration. I now call his attention to House bill 18985, which has already passed the House and is before the Committee on Pensions of the Senate. On the first page of this bill the Senator will find these words:

For Army and Navy pensions, as follows: For invalids, widows, minor children, and dependent relatives, Army nurses, and all other pensioners who are now borne on the rolls, or who may hereafter be placed thereon, under the provisions of any and all acts of Congress, \$152,000,000.

That covers all pensions now granted under existing law. I would invite the Senator's attention to the fact that for the year 1911 the entire amount of pensions granted to actual survivors of the Civil War—that is, to men who had served in the Union Army—was \$103,337,804.95. There is considerable allowance to be made on account of the pensioners of other wars.

Mr. SMITH of Georgia. I have the figures before me, Mr. President.

Mr. SHIVELY. The figures I have given the Senator are from the bill itself and in a communication from the Commissioner of Pensions.

Mr. SMITH of Georgia. I have the figures showing exactly what was paid for the fiscal year ending June 30, 1911. Here they are. This is what we had to pay—not what we estimated that we would pay. I have them in the report of the Commissioner of Pensions, and I will read them. The total amount was \$157,325,160.35. The Senator will find it on page 35.

Mr. SHIVELY. The Senator has before him, also, the total amount for the year before. Will he state that?

Mr. SMITH of Georgia. This is the last report of the Commissioner of Pensions.

Mr. SHIVELY. On page 10 the Senator will find the record of the entire disbursement for a long period of years.

Mr. SMITH of Georgia. And on page 10 I find \$157,325,160.35—just the figures I read as the disbursement for the fiscal year ending June 30, 1911.

Mr. SHIVELY. Yes; I was asking the Senator to name the figures of the year before, as disclosed by the same document, on the same page.

Mr. SMITH of Georgia. For 1910, \$159,974,056.08.

Mr. SHIVELY. And the year before that it was \$161,973,703.77.

Mr. SMITH of Georgia. And the year before that \$153,093,086.27.

Mr. SHIVELY. Oh, no.

Mr. SMITH of Georgia. Yes; \$153,093,086.27.

Mr. SHIVELY. Yes; but since that year there has been a decline. The point, however, that I wished to make was that I think the Senator's estimate was unduly large as to the amount of pensions appropriated exclusively to the surviving veterans of the Civil War, when he said \$150,000,000.

Mr. SMITH of Georgia. I may be perhaps a couple of millions too high, but it is in that immediate neighborhood.

Mr. SHIVELY. Why, here is the communication, if the Senator pleases, from the Commissioner of Pensions himself, stating that the disbursements for 1911 to the soldiers on account of the Civil War were \$103,337,804.95. That was for the fiscal year 1911.

Mr. SMITH of Georgia. And that entirely omits the widows.

Mr. SHIVELY. It omits the widows. It includes the nurses.

Mr. SMITH of Georgia. Yes; and here is the statement that the total amount was \$158,000,000.

Mr. SHIVELY. That is the total amount of pensions for all purposes.

Mr. SMITH of Georgia. Not at all; it is the total amount of pensions for the pensioners of the Civil War.

Mr. SHIVELY. Oh, the Senator is mistaken.  
Mr. WILLIAMS. The Senator said \$158,000,000. He meant \$148,000,000.

Mr. SHIVELY. The Senator is utterly mistaken.

Mr. SMITH of Georgia. Did I say \$158,000,000?

Mr. SHIVELY. The Senator did.

Mr. SMITH of Georgia. I meant \$148,000,000. It is \$157,325,160.35 for all; \$148,231,665.51 for the Civil War. I may be \$2,000,000 too high; it may not be exactly \$150,000,000, but it is very nearly that, and it will be very nearly that for the coming year. It was \$148,300,000 for the last year to the pensioners of the Civil War alone.

Mr. SHIVELY. Has the Senator the figures of the year before?

Mr. SMITH of Georgia. The figures of the year before were \$2,000,000 more; the year before that, \$2,000,000 more; and the year before that, \$10,000,000 less.

So, Mr. President, the best basis I have on which to estimate the pay roll for this year is last year's pay roll. Last year's pay roll was \$148,300,000 to the pensioners of the Civil War, which was about 25 per cent of the entire income of the Government from ordinary sources. When you add \$75,000,000 more you take one-third of the entire income of the Government. I have not criticized their taking one-third of it. I am only insisting that that is what the advocates of the Sherwood bill are seeking to do; and if they do take one-third of it, then we must go to work and cut everything else everywhere.

Mr. KERN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield to the junior Senator from Indiana?

Mr. SMITH of Georgia. Yes.

Mr. KERN. I understand the Senator from Georgia to think that this Government can not afford to pay this vast amount of money to the soldiers. I want to ask him this question: If it be true, as I assert it is, that throughout the North there are scores of thousands of old soldiers 70, 75, and 80 years old who can not live on the pensions they receive, what are we to do with those soldiers of the Nation? What is to become of them? Are we to stand by and see them put in the almshouse?

Mr. SMITH of Georgia. Mr. President, I will present a view responsive to the Senator from Indiana. One of the amendments to the bill which I sent up provided that no payments should be made to men whose incomes were \$1,200 a year or more. If there are old soldiers who need more and must have it, then, the basis of giving it to them being that they need it, why not apply the same principle and stop paying to those who do not need it? I am pressing upon the Senate the fact that the Sherwood pension advocates are endeavoring to have passed a bill that would take one-third of the entire revenue of the Government for the next fiscal year, and that if they succeed we must cut to pieces all our other lines of work.

Mr. CUMMINS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Iowa?

Mr. SMITH of Georgia. Yes.

Mr. CUMMINS. The Senator from Georgia has made several times during the course of his address the statement that we have just heard. I am interested to know whether he believes that if we add to our appropriations for pensions \$75,000,000, or \$30,000,000, or whatever we may add, the Government has no other course to pursue except to reduce by that amount the appropriations for other necessary functions of the Government?

Mr. SMITH of Georgia. I can not say that I do not believe that there are other means of raising revenue. If I am correct in my view of certain legal principles, there is a way to raise revenue which I think the Senator from Iowa, as well as myself, would cordially approve. At present we have not succeeded in enforcing it.

Mr. CUMMINS. Mr. President, I think the Senator from Georgia will agree with me that one way of increasing the revenue has been already established and approved by the Supreme Court of the United States; and I am sure the Senator from Georgia does not doubt our power to increase our revenue along the general lines that have been already approved as constitutional by the Supreme Court. Therefore ought we not, in determining how much we should give the old soldiers, to consider their needs, their demands, the just demands upon us—in other words, the merits of the proposition—rather than the necessity of reducing the other appropriations of the Government by the amount we may increase the pension roll?

Mr. SMITH of Georgia. I think we should consider both. I think we should plan the way to raise our revenue, and then we should consider all of our responsibilities, in determining the just distribution of our revenue.

Mr. CUMMINS. One other question—

The PRESIDING OFFICER. Does the Senator from Georgia yield further to the Senator from Iowa?

Mr. SMITH of Georgia. Yes.

Mr. CUMMINS. I do not know whether it is proper to refer to the other branch of Congress in the way I was about to refer to it, but if it be improper, I assure the Senator it is unintentional. As I understand, the House of Representatives has passed a bill which is now before us, known as the Sherwood bill, which very considerably increases the payments of the Government. After that, in order to provide the Government with means or money with which to meet the increased appropriations, it has adopted a plan of taxation, and it has already sent to us legislation which will meet the increased amount which we may provide in the pension roll. If the bill passed by the House is insufficient, I am sure the Senator from Georgia will agree that a very slight addition to the percentage of taxation will bring into the Treasury of the United States an ample amount with which to discharge our obligations.

Mr. SMITH of Georgia. I feel sure the judgment of the Senator from Iowa as to the propriety of referring to what has been done in the House can be relied upon by myself, and that as he has referred to it I can also refer to it. I do not understand that the House has provided a special measure to meet this increased tax upon the Treasury.

I understood that the special bill applicable to an income tax had reference to a loss of revenue that was to be produced by placing certain things upon the free list, the two measures having passed at the same time. Of course there are various ways to raise revenue, and the Government may raise it. I am treating of the revenues as they are now indicated, and I am treating of the expenses as they are now indicated; and I am pressing upon the Senate the fact that according to the present light before the Treasury Department, and according to the present light before the chairman of the Appropriations Committee of the House, it appears that this \$75,000,000 of additional pensions will tax our revenue to the amount of about one-third.

Mr. McCUMBER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from North Dakota?

Mr. SMITH of Georgia. Yes.

Mr. McCUMBER. May I suggest to the Senator that while the House passed one bill which I think would add to our revenues—or, at least, it was so estimated—some \$45,000,000, in another bill they cut down the revenues \$52,000,000 from another source?

Mr. SMITH of Georgia. I have just referred to that fact. The Senator probably did not hear me. I stated in reply to the Senator from Iowa that I understood that the bill increasing the revenue was to meet another bill passed at the same time taking the duty off certain things and putting them upon the free list.

Mr. CUMMINS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Iowa?

Mr. SMITH of Georgia. Certainly.

Mr. CUMMINS. I should like to say to the Senator from Georgia that I did not attempt to analyze the motives of the House bill. I have assumed that the House—and I think the Senator from Georgia ought to have as much confidence in the House as I have—will provide, or has provided, the revenue necessary to meet the expenditures which it has authorized, or will authorize. The House has exclusive jurisdiction in the origination of revenue measures, and I think it must be assumed that it has taken up and passed those measures which will keep the Government of the United States solvent.

Mr. SMITH of Georgia. I was using in my argument the figures furnished in a speech by the chairman of the Appropriations Committee in the House, in which he warned the House not to pass this \$75,000,000 bill, because it would produce a deficit, because there was no provision to meet it. If it is proper to refer to what happened in the House, I may repeat that the chairman of the Appropriations Committee of the House, in speaking against the Sherwood bill, emphasized the fact that already there was no provision made to meet the necessary demands upon the Treasury; and this would be \$75,000,000 more that the Treasury would be unable to meet.

I had intended, Mr. President, to occupy only a few minutes. The interruptions really have caused me to occupy much more time than I had expected. Already there have been paid to pensioners of the Civil War \$4,100,000,000. Those figures are so large that the public mind does not know what they mean. Four thousand one hundred millions have been paid to pensioners of the Civil War—four thousand one hundred millions.



I wish to make a comparison of those figures to something practical to try to comprehend what they mean.

According to the last report of the Census Bureau the entire property value of the farm lands, farm property, buildings, implements, machinery, and live stock of the States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut was \$867,000,000.

Mr. HEYBURN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Idaho?

Mr. SMITH of Georgia. I do.

Mr. HEYBURN. Will the Senator allow me? I would suggest to the Senator from Georgia that, comparing the figures here given as to the amount paid in pensions with the figures representing the five years' cost of the war, there was \$3,330,000,000 expended in the five years.

Mr. SMITH of Georgia. Mr. President, what I desire to do is to show how much has been spent on pensions and what it means, and that I shall proceed to do. Five times as much has been paid for pensions of the Civil War as the entire value, according to the last census, of the farm lands, the improvements thereon, the agricultural implements, and live stock in the New England States.

Again, the census shows that in 1870 the States of Texas, Arkansas, Louisiana, Mississippi, Alabama, Georgia, Florida, Tennessee, South Carolina, North Carolina, and Virginia had agricultural lands, buildings, implements, live stock, and so forth, to the total value of \$1,042,000,000. So we have spent on pensions of the Civil War four times as much as the entire value of the agricultural lands, farm buildings, implements, and live stock of the 11 Southern States, according to the census of 1870.

I only wish to emphasize the fact that the Government has not been close in this matter of pensions to the Civil War veterans. Eloquent speakers upon the floor have approached the subject as if the Government had been illiberal to the Civil War soldiers. The Government has given to the pensioners of the Civil War five times as much as the present value of New England lands, improvement, and live stock, and four times as much as that of the entire Southern States in 1870.

According to our system the payment of taxes is distributed according to population. The South had one-fourth of the population of the Union during these past 40 years. Then the South has paid one-fourth of this \$4,000,000,000. These 11 States have paid toward the pension to soldiers of the Civil War over \$1,000,000,000. They have paid toward the pensions as much as all their agricultural lands, farms, improvements, implements, and live stock were worth in 1870.

I am not here to enter any complaint or to murmur about it. I only wished to illustrate what has been done and to urge that to add \$75,000,000 more annually was indefensible.

Mr. SIMMONS. I would like to ask the Senator one question.

Mr. SMITH of Georgia. Certainly.

Mr. SIMMONS. The argument has been made all through this discussion that this enormous increase in the amount of pensions is justified by the needs of the old soldiers, those who are 65, 70, and 75 years of age. I believe there is nothing in the bill that limits the pensions to those who are in a needy condition. The Senator has just said he was going to offer an amendment for that purpose.

Has the Senator any information as to the number of those who were on the roll and who will be benefited by this increase who are in needy and indigent circumstances as compared with those who will get this increase who are well-to-do and independent?

Mr. SMITH of Georgia. No; I have not. I thank the Senator for calling my attention to it. I wish to say, however, that the first amendment I propose, which will remove from the pension roll nonresidents of the United States other than those who are suffering from injuries of service origin or wounds, or the widows of soldiers who died as the result of service injuries or wounds, ought to save at least \$500,000. I should think we could expect to save \$20,000,000 a year if the amendment is adopted providing that we shall cease paying pensions to men who have incomes of over \$1,200 a year, always, of course, provided that they were not suffering from wounds or injuries of service origin. I am sorry that I have not any figures on that subject. No statistics have been prepared on it.

Mr. SIMMONS. Does not the Senator think that of the old soldiers who are now drawing pensions and who are going to receive increased pensions under this bill, unless some limit as to income is imposed, such as is proposed in the Senator's amendment, a considerable percentage in nearly every community are prosperous and independent people?

Mr. SMITH of Georgia. We certainly ought to be able to estimate that at least 25 per cent of them are prosperous; and if that were true, the saving by ceasing to pay pensions to men with incomes of \$1,200 or more, would make a very substantial impression upon the pension roll.

I also intended to suggest that we ought to strike out the provision increasing the pensions of soldiers of the Mexican War. They are getting \$12 a month. I see no reason why they should all be put at \$30 a month. I have heard of no great complaint or demand from them. It is true they are old, but old age comes to everyone.

It seems to me, Mr. President, that we have all overlooked one thing in connection with old age and lack of money. Seventy-five per cent of the people of our country will grow old in poverty, but they have their children, and as they cared for their children during the days of the youth of the children, what a joy and what a privilege it should be to the children to care for the parents in their advancing years. I think it can safely be said that 75 per cent of our people all over the land rely in old age upon their splendid boys and girls for support and the privilege of contribution to parents of advanced years should be to children the highest privilege.

Mr. JOHNSTON of Alabama. Mr. President, I served four years in the Confederate Army. I was wounded four times. I am very glad I was not killed. It is good for me and for my country that I survived. I am glad that I survived to support and aid the Government that my forefathers helped to establish.

I did not enter the Confederate Army for pay or pension. If I had I would have made a grievous mistake, because I have received no pension and I received very little pay. My pay as a captain of infantry during the last years of the war, a month's pay, would not have purchased me a pair of pants, and I needed them sometimes sorely in order to appear in respectable society.

Mr. President, I have the kindest feeling for the gallant men who met us on the field of battle. I would vote to give every one of them a pension not only to meet the necessities of life, but to provide the comforts of life in old age.

But, Mr. President, that is not what we are asked in this bill to do. We are asked to grant indiscriminately a service pension. Whilst I have that kindly feeling for the men who met us on the battle field, and I feel drawn toward them every time I meet them, and they have nothing but kindly feelings for the old Confederate soldiers, it is reserved for the men who never saw an armed Confederate and never heard the rebel yell on the battle field when it meant death to many on both sides to harbor resentment against the soldiers of the South.

Mr. President, the South has contributed without a murmur to paying pensions in all these years until they have paid over \$4,000,000,000, and we are willing to go on, but when it comes to a proposal to increase that by \$75,000,000 a year I think we have the right to stand up and say that it is getting a little irksome.

In the South there are thousands of men who fought for four years in the Confederate Army who are not getting a dollar of pension. In my State there are thousands of them who are getting less than \$50 a year. They were as patriotic as the men of the North. They fought for what they believed to be right and they offered up their lives in testimony of their faith.

No man who entered that army had been paid a bounty. We volunteered, and the pay of the Confederate soldier at the close of the war, when resolved into gold, was less than \$1 a month. We saw all the privations of our friends on the other side. We saw all the hunger and starvation. I remember, Mr. President, that I went the last two years of the war hungry all the time. The main opportunities which we had to gratify our appetite were by capturing something from our opponents, the enemy, and but for that we would have suffered grievously.

I believe that the Government ought to be fair and liberal to the men of the North who fought the battles of the country. I am willing to vote to pension every gallant man who met us on the battle field and stood facing death, a pension that will not only provide for the necessities of life, but for the comforts of life in his old age. Not one can make an appeal here that will not have a responsive throb in my heart. But for this indiscriminate service pension I am not disposed to vote, and I shall vote for the McCumber bill as a substitute for the Sherwood bill because I think it infinitely more just and reasonable than the former.

Mr. OVERMAN. Mr. President, at this late hour of the evening I do not rise to make a speech, but I simply want to state my position.

For 10 years I have been in the Senate of the United States and I have voted for more than a billion and a half dollars of pensions. I have never lifted my voice against any pension bill. Neither has any Member on this side of the Chamber, the southern Senators preferring to let the northern Senators settle this among themselves. But I am opposed to this, I think, very, very extraordinary and extravagant pension bill.

Mr. President, what is the parliamentary situation? I think I know what it is, but I will inquire of the Chair whether or not I am right. As I understand it, the question now pending before the Senate is the substitute known as the McCumber bill, reported from the committee, as a substitute for the Sherwood bill or the House bill. If the amendment of the Senator from North Dakota called the McCumber bill should be adopted, it will then become an amendment to the Sherwood bill, and the question would then recur upon the passage of the House bill as amended by the McCumber bill. Am I right in that?

The VICE PRESIDENT. The Senator correctly states the parliamentary situation. The pending question, however, is an amendment to the substitute reported by the Senator from North Dakota.

Mr. OVERMAN. I mean when it is amended or is perfected.

While I am opposed to the McCumber bill, I know that some pension legislation is going to be passed here this evening, either the McCumber bill or the Sherwood bill, and while opposed to the McCumber bill, I shall vote for it as an amendment unless it is amended, hoping thereby that I may, with my vote, help to defeat what is known as the Sherwood bill. Then, if the McCumber amendment or the McCumber bill should be adopted as an amendment to the Sherwood bill, I propose to vote against the bill as amended, because I am opposed to this legislation.

Now, Mr. President, just one word more. In the very eloquent speech made by the Senator from Indiana [Mr. KERN] a few days ago he uttered this sentence or paragraph:

If you say that you have patiently—

He was speaking to the southern Senators and the southern people.

If you say that you have patiently and uncomplainingly borne the burdens entailed by the war for nearly half a century, I agree with you, but remind you that we have carried our full share of the same burden and at the same time have contributed something to the development of the new South.

Have the people of Indiana carried the same burdens as the people of the State of North Carolina, or that which the people of any Southern State have carried? While Indiana has paid in pensions \$4,000,000 under the pension appropriations of 1911, she received back \$10,000,000, or \$6,000,000 more than she paid out, while North Carolina paid \$3,800,000 and received \$600,000, or \$3,000,000 more than she received. The population of the last census was 91,900,000, speaking in round numbers. There was paid in pensions in 1911 \$159,000,000, or \$1.73 per capita. I speak in round numbers.

Alabama's part was \$3,698,000. She received \$596,000 and paid in excess of receipts \$3,100,000.

In Arkansas, Florida, Georgia, and Louisiana, and all the 11 seceding States the same effect is shown.

Georgia, for example, paid out \$4,500,000 and received \$500,000, or paid in excess of receipts \$3,970,000.

Indiana paid \$4,600,000 and received \$10,281,000, or received \$5,609,000 more than she paid.

Ohio—

Mr. SHIVELY rose.

Mr. OVERMAN. Listen; I will give you more startling figures than that.

Mr. SHIVELY. I ask the Senator on what he bases his figures.

Mr. OVERMAN. I base it on the population. This table shows that in 1910 there were 91,000,000 people in this country. I divided that by the pension appropriation of 1911 and it showed that each person's share, or per capita, was \$1.73. Then I took your population, multiplied it by \$1.73, and it shows you have paid \$4,000,000 and received \$10,000,000.

Mr. SHIVELY. That is on the basis of a per capita tax?

Mr. OVERMAN. On the basis of a per capita tax.

Ohio paid \$8,000,000 and received back the enormous sum of \$15,000,000, or received in excess of payment \$7,339,000.

Illinois, Indiana, and Ohio, all three, received in excess of receipts \$14,000,000.

I only give these facts to show in reply to the Senator from Indiana [Mr. KERN] that the South has borne her share and borne more than her share in comparison with Indiana. Indiana does not share, but she received more revenue than she paid out—the enormous sum of \$10,000,000.

I submit at this point the table from which I have quoted the figures.

Amount paid in Civil-War pensions, 1866 to June 30, 1911	\$3,985,719,836.93
Amount paid in all war pensions, 1911	\$159,842,287.41
Population last census	91,972,266
Paid in pensions, 1911, \$1.73 per capita	\$159,842,287.41
Alabama, population 1911, 2,138,093:	
Paid to pensions, at \$1.73	\$3,698,900.89
Received in pensions	596,445.74
Paid in excess of receipts	3,102,455.15
Arkansas, population 1911, 1,574,449:	
Paid to pensions, at \$1.73	2,723,796.77
Received in pensions	1,642,605.59
Paid in excess of receipts	1,081,191.18
Florida, population, 1911, 752,619:	
Paid to pensions, at \$1.73	1,302,030.87
Received in pensions	815,836.77
Paid in excess of receipts	486,194.10
Georgia, population, 1911, 2,609,121:	
Paid to pensions, at \$1.73	4,513,779.33
Received in pensions	543,352.41
Paid in excess of receipts	3,970,426.92
Louisiana, population, 1911, 1,656,388:	
Paid to pensions, at \$1.73	2,865,551.24
Received in pensions	1,024,613.60
Paid in excess of receipts	1,840,937.64
Mississippi, population, 1911, 1,797,114:	
Paid to pensions, at \$1.73	3,109,007.22
Received in pensions	724,961.82
Paid in excess of receipts	2,384,045.40
North Carolina, population, 1911, 2,206,287:	
Paid to pensions, at \$1.73	3,816,876.51
Received in pensions	654,072.49
Paid in excess of receipts	3,162,804.02
South Carolina, population, 1911, 1,515,400:	
Paid to pensions, at \$1.73	2,621,642.00
Received in pensions	302,562.44
Paid in excess of receipts	2,319,079.56
Tennessee, population, 1911, 2,184,789:	
Paid to pensions, at \$1.73	3,779,684.97
Received in pensions	3,190,810.87
Paid in excess of receipts	588,874.10
Texas, population, 1911, 3,896,542:	
Paid to pensions, at \$1.73	6,721,017.66
Received in pensions	1,504,851.68
Paid in excess of receipts	5,216,165.98
Virginia, population, 1911, 2,061,612:	
Paid to pensions, at \$1.73	3,566,588.76
Received in pensions	1,489,553.80
Paid in excess of receipts	2,077,034.96
Eleven seceding States, 1911:	
Paid	38,718,876.22
Received	12,489,667.21
Excess payments	26,229,209.01
Illinois, population, 1911, 5,638,591:	
Paid to pensions, at \$1.73	9,754,762.43
Received in pensions	10,833,222.56
Received in excess of payments	1,078,460.13
Indiana, population, 1911, 2,700,876:	
Paid to pensions, at \$1.73	4,672,515.48
Received in pensions	10,281,779.61
Received in excess of payments	5,609,264.13
Ohio, population, 1911, 4,767,121:	
Paid to pensions, at \$1.73	8,247,119.33
Received in pensions	15,638,286.83
Received in excess of payments	7,391,167.50
Illinois, Indiana, and Ohio:	
Payments	22,674,397.24
Receipts	36,753,289.00
Excess receipts	14,078,891.76

Therefore, Mr. President, I say the South has more than borne its burden. It is willing to share in liberal appropriations for pensions, but we protest against these enormous, extravagant appropriations.

Why, Mr. President, the South has paid more in the way of pensions since the Civil War than France paid as a penalty to Germany for the Franco-Prussian War, and still we are not grumbling and have not grumbled in the past. I have been on the Pension Committee, and I have never opposed a pension, as the chairman of the committee well knows. I never lifted my



voice against pensions, and it is only now, when this unprecedented, inexcusable, and extravagant bill comes, that I in duty bound feel that I must protest and lift my voice against it.

Mr. SMITH of Michigan. Mr. President, the Senator from North Carolina [Mr. OVERMAN] speaks of the burdens that have been borne by the South as a result of the war, and reads with some pride the burdens especially borne by the people of North Carolina. I simply rise to remind the Senator from North Carolina that this entire pension burden, as he calls it, could have been avoided by the South had they been loyal to the Union. I have not the slightest disposition to criticize them unkindly. I served in Congress a good many years by the side of men who fought in the Confederate Army, and this is the first time I have ever heard a southern statesman or southern soldier, in my presence, complain of the burdens of the pension roll or our treatment of our defenders.

Mr. OVERMAN. Did the Senator hear what I said. I said, in reply to the Senator from Indiana [Mr. KERN] when he spoke of it as a burden, that the South has done its part.

Mr. SMITH of Michigan. I think I understood the Senator correctly. I would not attribute to him any remarks that he did not make.

I have the highest respect for my honored friend, the Senator from North Carolina, but I shall not remain silent and hear Senators from the South complain of the burdens that our Government has been called upon to bear on account of the war and because of your own unwillingness to live with us under the same flag in a united country. It was not our soldiers who fired upon Fort Sumter and made these burdens necessary.

Burdens, indeed! The highest service pension that any soldier of the Civil War receives, whatever his rank, from private to major general, if he is less than 75 years of age, at this time, 50 years after the war is over, is a little less than 50 cents a day. Is the soldier of the Civil War now living who was wounded and is sick and old and dying not worth this recognition at the hands of the Government he saved?

I said a few moments ago that distinguished southern men who served in wars prior to the Civil War had not only received it with evident satisfaction, but had asked the Government to reward them for their military services. That list includes no less conspicuous men than Gens. Robert E. Lee and Stonewall Jackson, and many others, who were not above asking this Government to reward them for sacrifices and gallantry in the War with Mexico. Over 68,000,000 acres of land was asked for and received by soldiers who fought in the wars prior to the War of the Rebellion. This Government in the past has been generous to its defenders and the heroes of the Civil War are worthy of our greatest solicitude.

The Senator from North Carolina refers to the pension budget growing out of the Franco-Prussian War. France may not pay her soldiers as she should; it is not for me to criticize her; but this matchless Government of ours remembered one of the soldiers of France and gave to Gen. Lafayette for his services in the Revolutionary War 11,000 acres of valuable land, and then Congress allowed him to select in addition 36 square miles of land on the public domain and gave him \$200,000 in gold and sent him away to his foreign home. He was a noble soldier and patriot in the cause of liberty, but no more heroic than hundreds of thousands of brave boys who defended the Union on a hundred battle fields. Were they ever thus remembered? I would not dim the luster of the alien patriot; but no more gallant, no more heroic, no more honorable service was ever rendered by any soldier than that of hundreds of thousands of brave men who fought in the trenches of the South that we might have a united country, and this bill must do them justice.

This is not the time to recall again the sufferings of our soldiers, this is not the hour to rekindle the flames of passion now happily extinguished, but I shall never sit silent in this Chamber when the burdens of government laid on us by the rebellion, for which we were not responsible, are held up as a reason why we should now scrutinize carefully and withhold the rewards that are honestly due our soldiers living.

For several years I occupied a seat in the House of Representatives next to gallant Joe Wheeler, of Alabama. I never heard his vote cast against a worthy pension bill. I know of the record of the distinguished Senator from Alabama [Mr. JOHNSTON]; I honor him for his service and his loyalty and his patriotism to the cause in which he mistakenly believed. Sirs, you have taken care of your own soldiers of the Confederacy; you have shown the most commendable zeal in caring for your sick and your wounded and your suffering and your poor veterans of the South; but it seems to me that the record of Senators so honorable in war on either side would be more luminous and brilliant and creditable if they could treat their foes with magnanimous generosity and kindness.

Mr. President, I had intended to go more thoroughly into this matter, but I am admonished that possibly a better service can be rendered to those in need if we are permitted to vote now; to pass some measure of helpfulness to these old veterans. My course is simple, plain, and straightforward. I shall not vote against any just pension bill. The parliamentary situation of this present controversy has been stated by the Chair in answer to the inquiry of a distinguished Senator on this side of the Chamber. The first vote to be taken is upon the McCumber substitute recommended by the Committee on Pensions. I do not like the substitute as well as I do the House bill. If I had an opportunity to do so I would vote to substitute the House bill for the Senate bill. That, however, is not possible because of the parliamentary situation. Senators on the other side of the Chamber will vote—

Mr. SHIVELY. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Indiana?

Mr. SMITH of Michigan. In just a moment. Senators on the other side of the Chamber opposed to the Sherwood bill may help pass the McCumber bill; Senators on this side of the same mind may refuse to pass the Sherwood bill. Cooperating together, the attempt to relieve the soldiers may fail, and I shall not be a party to the failure. I propose to vote when my name is called in favor of every just bill that is calculated to improve the status of the Union soldier. Now I yield to the Senator from Indiana.

Mr. SHIVELY. Does not the Senator from Michigan understand the situation to be that the Sherwood bill was reported back to the Senate with the Smoot amendment offered as a substitute for it?

Mr. SMITH of Michigan. I think the Senator from Indiana is correct.

Mr. SHIVELY. So that a vote for the Smoot amendment is a vote to displace the Sherwood bill?

Mr. SMITH of Michigan. No, Mr. President; I take issue with the Senator from Indiana. There are Senators on the other side of the Chamber, I think I may say with perfect propriety, who do not favor the Sherwood bill and who willingly seek relief from that bill by voting to substitute the McCumber bill. There are Senators on this side of the Chamber who do not favor the Sherwood bill and who will therefore vote to substitute the McCumber bill. If I vote "nay" on the McCumber bill, and those who are opposed to the other bill withdraw from its support on final passage, it will leave us who favor either bill without votes enough to carry the bill through this Chamber. I am not willing to be put in that position and shall vote "yes" on each proposition.

Mr. NEWLANDS. Mr. President, it is my purpose to vote for the McCumber bill, which, I understand, will carry with it an appropriation of about \$30,000,000 for the fiscal year, as against \$50,000,000 or \$75,000,000 by the House bill. I should be glad to add to that bill—

Mr. SHIVELY. Will the Senator from Nevada yield to me just at that point?

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Indiana?

Mr. NEWLANDS. Yes.

Mr. SHIVELY. It is only fair to say that the author of the Sherwood bill, who has spent much time and given great labor in the preparation of statistics on the question, utterly denies that his bill will carry any such sum as \$75,000,000, insisting that that is an exaggeration; and that much, I think, ought to be stated. It can not merely be taken for granted that everybody admits that it will carry the immense sum indicated.

Mr. NEWLANDS. My understanding was that the bill would probably carry the first year not more than \$50,000,000, but that it would gradually increase.

Mr. CURTIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Nevada yield to the Senator from Kansas?

Mr. NEWLANDS. I do.

Mr. CURTIS. As I understand, it is the estimate of the department, even if you take their figures, that the Sherwood bill for the first year will only require the expenditure of \$32,000,000.

Mr. NEWLANDS. Will the Senator state how much it will cost in subsequent years?

Mr. CURTIS. The estimate of the department, with which I do not agree, is that it will be \$84,000,000 the second year.

Mr. McCUMBER. Eighty-seven million dollars the second year, if I am correct.

Mr. CURTIS. That is, under the estimate of the department it will be \$87,000,000 the second year, and after the second year the amount will decrease each year.

Mr. NEWLANDS. It will be safe, then, to say that, according to the estimate of the Pension Bureau, the appropriations for the next five years would average about \$75,000,000, would it not?

Mr. SHIVELY. No.

Mr. McCUMBER. I think I can give the Senator from Nevada the correct statement.

The VICE PRESIDENT. Does the Senator from Nevada yield, and to whom?

Mr. NEWLANDS. I yield to the Senator from North Dakota.

Mr. McCUMBER. Mr. President, under the Sherwood bill for the first year the expenditure would be something over \$32,000,000, and the second year it would be about \$87,000,000, in addition to the present expenditure. The average would be something over \$56,000,000 for the next five years above the present appropriation. Under the substitute the first year, depending on when the bill will pass, the expenditure would range from eleven to fourteen million dollars; the second year, about \$33,000,000, with an average of about \$20,000,000 for the five years. That will give the Senator from Nevada an idea of the status of the two bills.

Mr. NEWLANDS. I was about to remark, Mr. President, that I would be glad to provide for an additional fund of, say, \$5,000,000 annually, which would be expended under the regulation and direction of an examining board upon cases of disability and incapacity to earn a living; or I would be glad to support an amendment that would provide that for the next five years the lapsed pensions, those pensions lapsing through the death of the pensioners, should go into a fund for the relief of those who actually required relief.

We are told, Mr. President, that in view of the increased demands upon the Treasury for pensions it is necessary for us to diminish the great constructive work of the Nation, and figures have been gone into elaborately to prove that this must be the case. I contend that a great, wealthy, and powerful Nation like this should never allow its constructive work to be varied, to be diminished by exigencies of this kind. Outside of the revenues from the Post Office Department, we have a gross revenue of about \$750,000,000, of which about \$30,000,000 comes from the corporation tax and the balance in about equal proportions from internal-revenue and customs duties. Of that \$750,000,000, we to-day spend only about \$100,000,000 upon real constructive work—the constructive work on our waterways, on our public buildings, in the enlargement of our Navy, in the construction of fortifications, and in the acquisition of forests. The amount which we now spend annually for constructive work ought to be increased to at least \$150,000,000.

Instead of \$25,000,000 we should spend at least \$50,000,000 annually for the next 10 years in cooperation with the States in developing our waterways for navigation and every other useful purpose. We ought also to appropriate at least \$25,000,000 to be used in cooperation with the States in developing the roads of the country.

I would not diminish the constructive work of the Nation. I would provide for it by increased taxation. It is, of course, impossible, and, if possible, it would be absolutely unjust, to exact more revenue from the consumption of the country in the shape of internal-revenue taxes and customs duties, a form of taxation which amounts practically to an equal capitation tax imposed alike on rich and poor, regardless of fortune or wealth. The wealth of the country thus far is practically untaxed. There is no reason why we should not raise from \$50,000,000 to \$75,000,000 more annually by a tax imposed upon inheritances, by an excise tax such as has been framed by the House of Representatives, and by a tax upon incomes. A tax of 1 per cent would cover the additions to our constructive work; a tax of 2 per cent would greatly enlarge them, and even then the wealth of the country would not bear its fair proportion of Federal burdens.

Mr. President, by this bill it is proposed to increase the expenditures of the Government \$20,000,000 or \$25,000,000 in the case of the substitute bill and \$50,000,000 under the original bill. Whatever may be the action of Congress, whether it adopt the lesser or the greater bill, I believe it to be the duty of Congress at this session to see to it that taxes are imposed upon wealth sufficient to take care of this expenditure without diminishing the constructive work of the country.

We are told that we must stay naval construction if this bill is passed; we are told that we must postpone our public buildings bill. Mr. President, I believe that thus far we have paid too much attention to the building of fighting ships and have not thus far sufficiently developed the auxiliary Navy necessary to support them in case of war. I would therefore diminish the expenditure on fighting ships and increase the expenditure upon

the auxiliary ships; but I think that we ought to expend at least \$25,000,000 annually in the extension of our Navy.

I do not think that we should halt the expenditure of \$8,000,000 or \$10,000,000 annually upon our fortifications. As to public buildings, whilst I believe that our method of administering that department of the Government should be radically changed; that it should be taken entirely out of the spoils system and placed under the direction of a bureau of architecture and arts, with a commission of architects and constructors—the best in the country—to aid that bureau in its plans and in its work, I do not believe that \$30,000,000 annually is too large a sum to expend for our public buildings.

I do not believe simply because we have the emergency of a presidential election before us, an emergency that comes every four years, that we should make a record of sham economy by postponing the great constructive work of the country. It deceives no one, and it halts the regular and steady progress of governmental work.

Mr. President, it is said that our revenue is to be reduced because of the reduction of the tax on sugar, and perhaps in other ways through tariff legislation. I do not think there is any necessity for providing for such reduction at this session, for we all know that whilst both Houses of Congress and the President of the United States are in favor of a reduction of customs duties, we are unable in a businesslike way by business negotiations between the two Houses and the Executive to agree upon a reduction of taxation that will be a substantial advantage to the public, and yet at the same time conflict with no theory of tariff taxation entertained by either.

I should be glad if, when representative government is under attack throughout the entire country, Congress and the Executive Department could give to the country an exhibition of wise, temperate, and businesslike action that would result in the reduction of customs duties demanded by public opinion and the making up of the deficiency by a tax on wealth.

If we could act upon this tariff in such a way by the wise compromise of all the parties that have power with reference to it, including the Executive, we could then make for any deficit of revenue by an increase of taxation upon wealth, and all patriots, regardless of party, could join in this movement. It would be an encouraging spectacle to the people of the United States if, when we are just upon the verge of the most confused political campaign that we have had for years, the Congress of the United States and the President of the United States should give an exhibition to the country of the poise, equilibrium, and stability of representative government, and could, whilst facing a change in policies, advance steadily with the administrative and constructive work of the Government.

So, Mr. President, we are demonstrating every day the necessity for a budget committee, a committee that can survey the entire field of revenues and expenditures and make their recommendations to this body, to be acted upon by it with reference to the apportioning of the revenues or the increase of the revenues.

I saw a gratifying movement in that direction when the Senator from Ohio [Mr. BURTON] the other day introduced a resolution for the revival of the Committee on Public Expenditures, which was organized two years ago for the worthy purposes of determining the budget, and which accomplished nothing simply because its chairman, after the first meeting or two, never again called it together. I had hoped that the Senator from Ohio would press that resolution. There is time for deliberation and action now. I am assured by the Senator from New Hampshire, the chairman of the Republican Committee on Committees, that he is inclined in the direction of supporting such a measure. I trust that the Senator from Ohio will push it; that we will revive that committee, and that we will take a broad and comprehensive view of the entire situation, both as to revenues and expenditures and taxation so that we may demonstrate to the people of the United States the capacity of this body and the House of Representatives to face serious changes in policies without disturbing the orderly conduct of business, public or private.

Mr. BACON. Mr. President, I shall occupy but a moment. One of the chief regrets that I have in the fact that I am no longer young is that I can not hope to live to see the day when the occasion for patriotic utterances may not necessarily have to find its inspiration in the events of a fratricidal war. I only wish to add that that regret is lessened by the fact that happily it has been very rarely within the last 15 or 20 years that in this connection anything has been said in this Chamber which would be calculated to wound any of those of us who are Members of this body. Possibly not more than two or three times within my recollection have such words been uttered in



this Chamber; and that fact is very greatly appreciated by those of us whom such words are calculated to offend or wound.

I did not, however, rise for the purpose of saying that, or for the purpose of pursuing any thought of that kind. I only allude to the subject because of some words which have unhappily been uttered in this debate. My purpose in now arising is to say a word which will prevent any misconstruction of the vote which I shall cast upon this occasion or of the motive which actuates it.

Of course, it is perfectly natural that a vote against pensions to Union soldiers cast by one who comes from my section, especially by one who himself dates back to the period of the Civil War, should be construed into an indisposition to the granting of proper and liberal pensions to the soldiers of the Union in that war. I simply wish to say in evidence to the contrary that during my service in the Senate I have acquiesced in, and by that acquiescence supported, the payment of more than two thousand millions of dollars to the Union soldiers of the Civil War. During the more than 17 years of my service here that amount, and more than that amount, has been carried by the pension bills which have been passed without a single negative vote being cast by any Senator from the South. I want to say that that is not an estimate of the amount; but that I myself to-day have gone over the figures, and that not only two thousand millions of dollars, but more than that, have been appropriated for the payment of these pensions during my term of service in the Senate. More than the stupendous amount of two thousand three hundred millions of dollars have been thus appropriated in that time without a word of dissent from myself or any other Senator from my section of the country, but on the contrary with their entire acquiescence and support. That fact must forever refute the suggestion that Southern Senators have been, or are, unwilling to vote liberal pensions to the Union soldiers.

In that time, Mr. President, there has never been a debate in the Senate, so far as I can recall, upon the granting of pensions to the Union soldiers. So far as I recall—and I think I am correct in my recollection—there has never been a single negative vote cast during that time by a Senator from the Southern States on the appropriation of that large amount of money for the Union soldiers.

That fact is the more significant, Mr. President, from the additional fact that when I came into this Chamber there was scarcely a Senator from the South who had not been a Confederate soldier. There are left of us now only four, and possibly with two or three exceptions I do not recall a single Senator who then sat on this side of the Chamber from the South who had not been a Confederate soldier.

What was the significance of that attitude? The significance of that attitude on the part of southern Senators was this: That we recognized the propriety of leaving entirely to the Senators from the North the question of pensions to be granted to the Union soldiers. What they determined in this regard we acquiesced in. That was practically what we did. It was not the action of one year or of a few years, but of all the years.

I think I may say with confidence that if the bill which is now before the Senate were the usual bill to appropriate one hundred and fifty or one hundred and sixty millions of dollars for the year, in addition to the more than two thousand three hundred millions of dollars which have been previously appropriated since I have been here, no single southern Senator would raise his voice against it, and no single southern Senator would cast his vote against it. For myself, I desire to say that I would not vote against the bill appropriating the one hundred and fifty odd millions as heretofore. I have never done so in the past, and I would not now. I should prefer, even in this instance, Mr. President, with this proposed legislation, that the matter should be left entirely to the Senators from the North. I should prefer to let them fix the amount, and let them have the responsibility. If that were now the attitude which was recognized by the Senate as the proper attitude, I should be more than glad to join in it. I am perfectly willing that the Senators from the North shall say what shall be the amount of these pensions, and that they shall have the responsibility of it. When I say "the Senators from the North," I do not mean the Senators of any particular party. I mean the Senators from the Northern States, which States were on the Union side in our Civil War, or the war between the States, as it may be called.

I simply state this in order that my vote against this bill may not be construed as an indisposition to vote what I consider to be liberal and proper pensions, as they have heretofore been recognized, for the Union soldiers. I would be willing to go further and not vote at all; but as the situation is such that we have to vote, I think it is proper, with this explanation,

that I should say that I shall vote against each of the propositions—both the minor and the greater proposition—because I prefer that the pension law shall remain as it is now, with \$155,000,000 or \$160,000,000 paid each year for the pensions of the soldiers. Then if, as proposed by my colleague, this large amount shall be so distributed as to best meet the wants of those who are to be its beneficiaries, so much the better. I have said this much because I do not wish that my vote shall be cast without calling attention to the facts which I have stated.

The VICE PRESIDENT. The question is on agreeing to the amendment heretofore offered by the Senator from New Hampshire [Mr. GALLINGER].

Mr. HEYBURN. Mr. President, I have sent to the desk certain amendments, which, if now in order, I should like to have read.

The VICE PRESIDENT. It is proper to have them read; but it is not now in order to offer them unless they be offered as amendments to the so-called Gallinger amendment.

Mr. HEYBURN. I offer them as amendments to the Gallinger amendment first. Then I may offer them again.

The VICE PRESIDENT. The committee amendment is the part in italics in the bill. The Senator from New Hampshire [Mr. GALLINGER] has offered an amendment to that amendment which relates simply to section 3.

Mr. HEYBURN. I think the Chair is doubtless right. I merely rose for the purpose of inquiring whether or not there were on the Secretary's desk any amendments that would preclude the propriety of offering my amendments now.

The VICE PRESIDENT. The Secretary advises the Chair that the amendment of the Senator from Idaho is to section 1. The pending amendment offered by the Senator from New Hampshire is to section 3. When that is disposed of, the amendment suggested by the Senator from Idaho will be in order.

Mr. HEYBURN. Very well; when section 1 is before the Senate I will offer the amendment.

The VICE PRESIDENT. Without objection, the Secretary will again state the amendment offered by the Senator from New Hampshire [Mr. GALLINGER].

The SECRETARY. In the amendment reported by the committee it is proposed to strike out all of section 3 and in lieu thereof to insert:

That no pension attorney, claim agent, or other person shall be entitled to receive any compensation for services rendered in presenting any claim to the Bureau of Pensions or securing any pension under this act, except in applications for original pensions by persons who have not heretofore received a pension.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HEYBURN. I now offer the amendments I send to the desk.

The VICE PRESIDENT. The Senator from Idaho offers an amendment, which will be stated.

Mr. HEYBURN. I will ask that the amendments be stated separately in the order in which I send them up.

The SECRETARY. On page 3, in the amendment reported by the committee, in section 1, after the word "who," in line 13, it is proposed to insert the words "enlisted and," so as to read:

That any person who enlisted and served.

And, in the same line, after the word "served," it is proposed to strike out "90 days or more," so as to read:

That any person who enlisted and served in the military or naval service of the United States during the late Civil War, who has been honorably discharged therefrom—

And so forth.

Mr. HEYBURN. Mr. President, I desire that that amendment shall be separately considered, and for the benefit of those who were not in the Chamber at the time of my remarks, I will say that it is designed to let in all soldiers who enlisted and served in the war, without regard for their length of service, on the grounds which I stated at the time of suggesting the amendment. They all offered the same thing and gave the same thing, and the three months' men met the first challenge of war.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Idaho. [Putting the question.] By the sound the "noes" seem to have it.

Mr. HEYBURN. Mr. President, I ask for the yeas and nays. The yeas and nays were ordered.

Mr. JONES. Mr. President, I ask that the amendment be read again.

The VICE PRESIDENT. Without objection, the Secretary will again state the amendment.

The Secretary again read the amendment.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. BACON (when his name was called). I have a general pair with the Senator from Minnesota [Mr. NELSON]. I know what his views are upon the general features of this bill, but I do not know how the Senator would vote upon this particular amendment, as it was not called to his attention before he left and I had no instructions from him. Therefore, all I can do is to announce the fact of the pair and to withhold my vote.

Mr. BURNHAM (when his name was called). I have a general pair with the junior Senator from Maryland [Mr. SMITH]. In his absence I withhold my vote.

Mr. CLARK of Wyoming (when his name was called). I have a general pair with the senior Senator from Missouri [Mr. STONE]. That Senator is absent from the Senate and from the city, but has released me from the pair on this bill, so that I am at liberty to vote. I vote "yea."

Mr. DILLINGHAM (when his name was called). I have a general pair with the senior Senator from South Carolina [Mr. TILLMAN], from which I am released on this vote. I vote "nay."

Mr. BURNHAM (when Mr. GALLINGER's name was called). The senior Senator from New Hampshire [Mr. GALLINGER] is necessarily absent. He is paired with the senior Senator from Arkansas [Mr. CLARKE].

Mr. GAMBLE (when his name was called). I have a general pair with the junior Senator from Arkansas [Mr. DAVIS], and therefore withhold my vote.

Mr. HEYBURN (when his name was called). I have a pair with the senior Senator from Alabama [Mr. BANKHEAD], who has not responded. I therefore withhold my vote.

Mr. LEA (when his name was called). I have a general pair with the junior Senator from Rhode Island [Mr. LIPPITT]. I understand from the Senator from Massachusetts [Mr. CRANE] that it is agreeable for me to transfer that pair to the junior Senator from Missouri [Mr. REED], with whom the senior Senator from Michigan [Mr. SMITH] has a pair. This will leave the Senator from Michigan and myself at liberty to vote, and the junior Senator from Missouri [Mr. REED] will stand paired with the junior Senator from Rhode Island [Mr. LIPPITT]. I vote "nay."

Mr. SWANSON (when the name of Mr. MARTIN of Virginia was called). My colleague [Mr. MARTIN] is unavoidably detained from the Senate. He is paired with the senior Senator from Illinois [Mr. CULLOM]. If my colleague were present, he would vote "nay."

Mr. CURTIS (when Mr. PAYNTER's name was called). I have been requested to announce that the Senator from Kentucky [Mr. PAYNTER] is paired with the Senator from Colorado [Mr. GUGGENHEIM].

Mr. SMITH of Michigan (when his name was called). I have a pair with the junior Senator from Missouri [Mr. REED]. I transfer that pair to the Senator from Rhode Island [Mr. LIPPITT] and vote. I vote "yea."

Mr. LEA (when Mr. TAYLOR's name was called). The senior Senator from Tennessee [Mr. TAYLOR] is detained from the Chamber by serious illness. He is so ill that I have been unable to communicate with him to find out how he would vote upon any of the questions to-day. I make this announcement for the day. As has been stated, he is paired with the Senator from Kentucky [Mr. BRADLEY].

Mr. WATSON (when his name was called). On this question I have a pair with the junior Senator from Wyoming [Mr. WARREN]. I therefore withhold my vote.

The roll call was concluded.

Mr. JOHNSTON of Alabama. The Senator from Texas [Mr. BAILEY] is paired with the Senator from Montana [Mr. DIXON]. If present the Senator from Texas would vote "nay."

Mr. BRADLEY. I am paired with the senior Senator from Tennessee [Mr. TAYLOR], and therefore withhold my vote.

The result was announced—yeas 22, nays 44, as follows:

## YEAS—22.

Borah	Cummins	Kern	Shively
Bourne	Curtis	La Follette	Smith, Mich.
Brown	du Pont	Lorimer	Townsend
Chilton	Gronna	Martine, N. J.	Works
Clapp	Jones	Nixon	
Clark, Wyo.	Kenyon	Poindexter	

## NAYS—44.

Brandegge	Foster	O'Gorman	Root
Briggs	Gardner	Oliver	Simmons
Bristow	Hitchcock	Overman	Smith, Ga.
Bryan	Johnson, Me.	Owen	Smith, S. C.
Burton	Johnston, Ala.	Page	Smoot
Chamberlain	Lea	Penrose	Stephenson
Crane	Lodge	Percy	Sutherland
Crawford	McCumber	Perkins	Swanson
Culbertson	McLean	Pomerene	Thornton
Dillingham	Myers	Rayner	Wetmore
Fletcher	Newlands	Richardson	Williams

## NOT VOTING—25.

Bacon	Davis	Lippitt	Taylor
Bailey	Dixon	Martin, Va.	Tillman
Bankhead	Gallinger	Nelson	Warren
Bradley	Gamble	Paynter	Watson
Burnham	Gore	Reed	
Clarke, Ark.	Guggenheim	Smith, Md.	
Cullom	Heyburn	Stone	

So Mr. HEYBURN's amendment was rejected.

Mr. HEYBURN. I ask that the next amendment which I sent up may be stated.

The VICE PRESIDENT. The Secretary will report the next amendment offered by the Senator from Idaho.

The SECRETARY. On page 3, in the amendment of the committee, on lines 16 and 17, it is proposed to strike out the following words:

And who has reached the age of 62 years or over.

Mr. HEYBURN. I withdrew that amendment. I did not intend that to be read. They would all be over 62 years of age.

The VICE PRESIDENT. The Senator from Idaho withdraws the amendment just stated.

Mr. HEYBURN. Yes; upon figuring it up I found that they would all be over 62 years of age. So that amendment was not necessary.

The VICE PRESIDENT. The Secretary will report the next amendment.

The SECRETARY. In line 20, on page 3, before the word "pension," it is proposed to insert the word "service."

Mr. HEYBURN. That is only a part of the other amendment.

The SECRETARY. And after the word "pension" it is proposed to insert the following words:

Of \$1 per day, as hereinafter provided.

So that, if amended, it will read:

Be placed upon the pension roll and be entitled to receive a service pension of \$1 per day, as hereinafter provided.

Mr. HEYBURN. Mr. President, the purpose of the amendment is to be taken in connection with the amendment just voted upon, which limited the class of service. This provides that they shall receive \$1 a day. If it is adopted, it will provide that any person who has served 90 days or more in the military service, and so forth, shall receive a service pension of \$1 per day, as hereinafter provided. The "hereinafter provided" merely refers to the manner of the payment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Idaho [Mr. HEYBURN]. The amendment was rejected.

The VICE PRESIDENT. The Secretary will state the next amendment.

Mr. HEYBURN. There is no use in doing that after the others have been rejected.

The VICE PRESIDENT. The Senator from Idaho does not offer another amendment?

Mr. HEYBURN. Not now.

Mr. BROWN. Mr. President, I send to the desk an amendment, which I ask to have read.

The VICE PRESIDENT. The Senator from Nebraska offers an amendment, which will be stated.

Mr. BROWN. It is to be inserted at line 23 on page 4.

The SECRETARY. On page 4, line 23, after the words "\$30 per month," it is proposed to insert the following:

That any person who served in the military or naval service of the United States during the Civil War and received an honorable discharge and who was wounded in battle or in line of duty and is now unfit for manual labor, through causes not due to his own vicious habits, or who from disease or other causes incurred in line of duty resulting in his disability is now unable to perform manual labor, shall be paid the maximum pension under this act, to wit, \$30 per month, without regard to his length of service or age.

Mr. BROWN. Mr. President, this amendment is section 2 of the bill which passed the House, and the purpose of it is not to penalize those soldiers whose terms of service was cut short by reason of wounds received in the service or diseases contracted on account of that service. I do not care to discuss it. I should like to have a vote upon it, by yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BACON (when his name was called). I again make the same announcement I made upon the former vote. I do not know how the Senator from Minnesota [Mr. NELSON] would vote upon this amendment, and therefore I announce the pair and withhold my vote.

Mr. JOHNSTON of Alabama (when the name of Mr. BANKHEAD was called). My colleague is paired with the Senator from Idaho [Mr. HEYBURN]. If my colleague were present, he would vote "nay."

Mr. BRADLEY (when his name was called). I make the same announcement that I made on the preceding vote.



Mr. BURNHAM (when his name was called). I make the same announcement. I have a general pair with the senior Senator from Maryland [Mr. SMITH]. In his absence I withhold my vote.

Mr. DILLINGHAM (when his name was called). Because of my general pair with the senior Senator from South Carolina [Mr. TILLMAN], from which I have not been released, I withhold my vote.

Mr. BURNHAM (when Mr. GALLINGER's name was called). I again announce my colleague's general pair with the senior Senator from Arkansas [Mr. CLARKE].

Mr. GAMBLE (when his name was called). I again make the same announcement, that I have a general pair with the junior Senator from Arkansas [Mr. DAVIS]. For that reason I withhold my vote.

Mr. HEYBURN (when his name was called). I desire to state that I am paired with the senior Senator from Alabama [Mr. BANKHEAD].

Mr. LEA (when his name was called). I make the same announcement I made on the previous vote in regard to the transfer of my pair to the junior Senator from Rhode Island [Mr. LIPPITT], and therefore I vote "yea."

Mr. SWANSON (when the name of Mr. MARTIN of Virginia was called). As previously stated, my colleague [Mr. MARTIN] is paired with the senior Senator from Illinois [Mr. CULLOM]. If my colleague were present he would vote "nay."

Mr. SMITH of Michigan (when his name was called). I make the same announcement as on the previous vote. I vote "yea."

Mr. WATSON (when his name was called). I desire to make the same announcement as on the previous vote.

The roll call was concluded.

Mr. JOHNSTON of Alabama. The junior Senator from Texas [Mr. BAILEY], if present and not paired, would vote "nay." He is paired with the senior Senator from Montana [Mr. DIXON].

The result was announced—yeas 34, nays 29, as follows:

## YEAS—34.

Borah	Curtis	La Follette	Perkins
Bourne	du Pont	Lea	Poin Dexter
Bristow	Gardner	Lorimer	Richardson
Brown	Gronna	McLean	Shively
Chamberlain	Hitchcock	Martine, N. J.	Smith, Mich.
Chilton	Johnson, Me.	Myers	Townsend
Clapp	Jones	O'Gorman	Works
Crawford	Kenyon	Oliver	
Cummins	Kern	Page	

## NAYS—29.

Brandegge	Johnston, Ala.	Pomerene	Sutherland
Briggs	Lodge	Rayner	Swanson
Bryan	McCumber	Root	Thornton
Burton	Nixon	Simmons	Wetmore
Crane	Overman	Smith, Ga.	Williams
Culberson	Owen	Smith, S. C.	
Fletcher	Penrose	Smoot	
Foster	Percy	Stephenson	

## NOT VOTING—28.

Bacon	Cullom	Guggenheim	Reed
Bailey	Davis	Heyburn	Smith, Md.
Bankhead	Dillingham	Lippitt	Stone
Bradley	Dixon	Martin, Va.	Taylor
Burnham	Gallinger	Nelson	Tillman
Clark, Wyo.	Gamble	Newlands	Warren
Clarke, Ark.	Gore	Paynter	Watson

So Mr. BROWN's amendment was agreed to.

Mr. CURTIS. I offer the amendment I send to the desk as a substitute for section 1 of the Senate committee substitute.

The VICE PRESIDENT. The amendment proposed by the Senator from Kansas will be read.

The SECRETARY. In lieu of section 1 as proposed by the committee insert:

SECTION 1. That any person who served in the military or naval service of the United States during the late Civil War or the War with Mexico, and who has been honorably discharged therefrom, and all members of State organizations that are now pensionable under existing law, shall, upon making proof of such facts according to such rules and regulations as the Secretary of the Interior may provide, be placed on the pension roll and be entitled to receive a pension as follows: For a service of 90 days or more in the Civil War, or 60 days or more in the War with Mexico, and less than 6 months, \$15 per month; for a service of 6 months or more and less than 9 months, \$20 per month; for a service of 9 months or more and less than 1 year, \$25 per month; for a service of 1 year or more, \$30 per month: *Provided*, That any such person who served in the War with Mexico shall be paid the maximum pension under this act, to wit, \$30 per month.

Mr. CURTIS. Mr. President, I think in justice to the Senate I should state that this is section 1 of the Sherwood bill, House bill No. 1, that passed the House.

Mr. OVERMAN. May I ask the Senator a question? With the adoption of the amendment of the Senator from Nebraska [Mr. BROWN] and the adoption of this amendment of the Senator from Kansas it would practically be the Sherwood bill.

Mr. CURTIS. It would.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Kansas.

Mr. CURTIS. On that I demand the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BACON (when his name was called). Again repeating the statement I made as to the attitude of the Senator from Minnesota [Mr. NELSON], I simply announce the pair and withhold my vote.

Mr. JOHNSTON of Alabama (when Mr. BAILEY's name was called). The Senator from Texas [Mr. BAILEY] is paired with the Senator from Montana [Mr. DIXON]. If the Senator from Texas were present, he would vote "nay."

Mr. BURNHAM (when his name was called). I am paired on this vote with the Senator from Maryland [Mr. SMITH].

Mr. LORIMER (when Mr. CULLOM's name was called). My colleague [Mr. CULLOM] is necessarily absent from the Chamber. He is paired with the senior Senator from Virginia [Mr. MARTIN]. If my colleague were present, he would vote "yea."

Mr. DILLINGHAM (when his name was called). On this question I am released from my pair with the senior Senator from South Carolina [Mr. TILLMAN], and I will vote. I vote "nay."

Mr. CLAPP (when Mr. DIXON's name was called). The senior Senator from Montana [Mr. DIXON] is paired with the junior Senator from Texas [Mr. BAILEY].

Mr. BURNHAM (when Mr. GALLINGER's name was called). The senior Senator from New Hampshire [Mr. GALLINGER] is necessarily absent. He is paired, as I have heretofore stated, with the senior Senator from Arkansas [Mr. CLARKE].

Mr. GAMBLE (when his name was called). I repeat my statement that I have a general pair with the junior Senator from Arkansas [Mr. DAVIS]. For that reason I withhold my vote. If I were permitted to vote, I would vote "yea."

Mr. HEYBURN (when his name was called). I am paired with the senior Senator from Alabama [Mr. BANKHEAD]. His colleague has stated that if the senior Senator from Alabama were present he would vote "nay." So the pair will have to stand.

Mr. SWANSON (when the name of Mr. MARTIN of Virginia was called). As previously stated, my colleague [Mr. MARTIN] is paired with the senior Senator from Illinois [Mr. CULLOM]. If my colleague were present and free to vote, he would vote "nay."

Mr. WATSON (when his name was called). I desire to make the same announcement as on the previous vote—that I am paired with the junior Senator from Wyoming [Mr. WARREN].

The roll call was concluded.

Mr. BACON. In view of the statement made that the amendment just voted upon is the same as the section in the Sherwood bill, I think I should make an additional statement in regard to the attitude of the Senator from Minnesota [Mr. NELSON]. The vote has taken a different direction from what he anticipated when he left, and therefore I can only state what his instructions to me were.

The Senator from Minnesota instructed me that he would vote for the McCumber amendment as against the Sherwood bill, and that if the McCumber amendment were defeated, he would then vote for the Sherwood bill. I think, in view of that statement, probably the Senator from Minnesota, if present, would vote against this amendment, although I am not authorized definitely so to state. I wish to add that if he were here and if I were free to vote I myself would vote against it.

Mr. BRADLEY. I desire to again state my pair with the senior Senator from Tennessee [Mr. TAYLOR], who is unavoidably absent by reason of severe illness.

Mr. CURTIS. The Senator from Colorado [Mr. GUGGENHEIM] is paired with the Senator from Kentucky [Mr. PAYNTER].

The result was announced—yeas 25, nays 41, as follows:

## YEAS—25.

Bourne	Cummins	Kenyon	Shively
Bristow	Curtis	Kern	Smith, Mich.
Brown	Gardner	La Follette	Townsend
Chamberlain	Gronna	Lorimer	Works
Chilton	Hitchcock	Martine, N. J.	
Clapp	Johnson, Me.	O'Gorman	
Crawford	Jones	Poin Dexter	

## NAYS—41.

Borah	Foster	Owen	Smith, S. C.
Brandegge	Johnston, Ala.	Page	Smoot
Briggs	Lea	Penrose	Stephenson
Bryan	Lodge	Percy	Sutherland
Burton	McCumber	Perkins	Swanson
Clark, Wyo.	McLean	Pomerene	Thornton
Crane	Myers	Rayner	Wetmore
Culberson	Newlands	Richardson	Williams
Dillingham	Nixon	Root	
du Pont	Oliver	Simmons	
Fletcher	Overman	Smith, Ga.	

## NOT VOTING—25.

Bacon	Davis	Lippitt	Taylor
Bailey	Dixon	Martin, Va.	Tillman
Bankhead	Gallinger	Nelson	Warren
Bradley	Gamble	Paynter	Watson
Burnham	Gore	Reed	
Clarke, Ark.	Guggenheim	Smith, Md.	
Cullom	Heyburn	Stone	

So Mr. CURTIS's amendment to the amendment was rejected.

Mr. JONES. I offer the following, to be known as section 2.

The VICE PRESIDENT. In place of the present section 2?

Mr. JONES. As a new section, the sections to be renumbered.

The VICE PRESIDENT. The amendment will be read.

The SECRETARY. Insert a new section, as follows:

SEC. 2. That every widow who is now receiving or may hereafter be entitled to receive a pension of less than \$24 per month by reason of the Civil War, shall, upon due proof that she was the wife of a soldier at any time during the war, be entitled to a pension of \$24 per month, the same to begin from the date of filing her application under the provisions of this act.

Mr. JONES. Mr. President, we have heard a great deal of praise for the men who offered their lives in defense of their country on the battle field. In that I heartily join. This amendment recognizes the greater courage and the more intense suffering and the noble sacrifices of the women while their husbands were at the front in defense of their country.

Mr. WILLIAMS. Mr. President—

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Mississippi?

Mr. JONES. Certainly.

Mr. WILLIAMS. In the sentiment which has just been uttered by the Senator from Washington I am heartily in accord. In carrying out that sentiment would the Senator be willing to so modify his amendment as to say that the widow must have been, during the war, during the soldier's service, his wife?

Mr. JONES. I intend to say that in the amendment. If it does not express that it can be worked out in conference. That is the intention of the amendment.

Mr. WILLIAMS. I did not want to have any newly caught widows included.

Mr. DU PONT. I ask that the amendment be again read.

The VICE PRESIDENT. The Secretary will again read the amendment.

The Secretary again read the amendment.

Mr. McCUMBER. Mr. President, I am inclined to think that the truest friend of the veteran of the Civil War and the truest friend of the widow of a veteran would pause long before he would attach to this bill provisions that might jeopardize it. I believe that we can pass this bill in the shape practically it came from the committee with the amendment that has been made. I do not believe that it is a safe proposition to begin to attach other matters that may run into the millions, as to the exact amount of which we have no information. The Senator from Washington can not give us any estimate as to the cost of the amendment or as to what it means. We have been dealing pretty fairly well with the widows. We raised their pensions from \$8 to \$12 a very short time ago. I have myself since introduced bills for the purpose of including all the widows of the Civil War. We raised the amount some twelve million dollars in 1908 as a separate proposition.

I believe if we want to do something for the widows of the Civil War it is better to take it up as a single proposition and pass it upon its merits rather than jeopardize this bill in any way, shape, or manner by attaching to it something of which we can make no estimate at the present time. If there are votes enough here to carry it through as an amendment then there ought to be votes enough to carry it through as a separate proposition when we are informed of all the conditions and know just exactly what it means. We can then pass it if it appeals to us, and if it appeals to the House they can pass it also, as a proposition simple and clear of itself. If we believe that the widows are entitled to more there is no question but that the Senate will always give it consideration, as it always has given consideration to any pension bill; and there will be no danger, in taking it as a separate proposition, that it will not receive fair and honest treatment in the Senate.

Mr. President, for that reason, and sincerely desiring to pass a law here that will give the soldiers relief, that will become a law and be placed upon the statute books, I hope that no amendment will be attached to it when we can not say what the amendment means.

Mr. JONES. Mr. President, just a word further. This amendment is not offered for the purpose of endangering the passage of this measure as finally amended, but it is offered as a simple proposition of justice and recognition. It seems to me that the widows of the men who were at the front, and who were bearing the burdens at home, should be given this legisla-

tion; and the votes that can adopt this amendment can also pass the bill.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Washington. [Putting the question.] The yeas appear to have it.

Mr. JONES. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. HEYBURN. Mr. President, I merely want to say, in explanation of my position, that I would favor an independent bill to accomplish this purpose, for the reasons stated by the Senator from North Dakota in charge of the bill, but I would not feel like voting for it if it would jeopardize in any way the passage of the present bill.

The VICE PRESIDENT. The Secretary will call the roll on the amendment offered by the Senator from Washington [Mr. JONES].

The Secretary proceeded to call the roll.

Mr. BACON (when his name was called). Again repeating the statement which I have made in regard to the Senator from Minnesota [Mr. NELSON] and announcing my pair with him, I withhold my vote.

Mr. JOHNSTON of Alabama (when Mr. BAILEY's name was called). The junior Senator from Texas [Mr. BAILEY] is paired with the Senator from Montana [Mr. DIXON]. I am satisfied that if the Senator from Texas were present he would vote "nay."

Mr. BRADLEY (when his name was called). I again repeat what I stated on the last vote regarding my pair with the Senator from Tennessee [Mr. TAYLOR].

Mr. BURNHAM (when his name was called). I again announce my pair with the Senator from Maryland [Mr. SMITH], as before.

Mr. DILLINGHAM (when his name was called). Because of my general pair with the senior Senator from South Carolina [Mr. TILLMAN], I withhold my vote.

Mr. BURNHAM (when Mr. GALLINGER's name was called). The senior Senator from New Hampshire [Mr. GALLINGER] is paired with the senior Senator from Arkansas [Mr. CLARKE].

Mr. GAMBLE (when his name was called). I again announce my pair with the Senator from Arkansas [Mr. DAVIS]. I withhold my vote.

Mr. HEYBURN (when his name was called). I am paired with the senior Senator from Alabama [Mr. BANKHEAD], but I understand that on this vote he would vote "nay," thus relieving me from the pair. I vote "nay."

Mr. SWANSON (when the name of Mr. MARTIN of Virginia was called). My colleague [Mr. MARTIN], as previously stated, is paired with the senior Senator from Illinois [Mr. CULLOM]. If my colleague were present he would vote "nay."

Mr. WATSON (when his name was called). I desire to make the same announcement as on the previous vote.

The roll call having been concluded; the result was announced—yeas 25, nays 41, as follows:

## YEAS—25.

Brown	Hitchcock	Martine, N. J.	Smith, Mich.
Chamberlain	Johnson, Me.	Myers	Townsend
Chilton	Jones	O'Gorman	Williams
Clapp	Kenyon	Perkins	Works
Curtis	Kern	Polindexter	
Gardner	La Follette	Pomerene	
Gronna	Lorimer	Shively	

## NAYS—41.

Borah	Cummins	Nixon	Smith, Ga.
Bourne	du Pont	Oliver	Smith, S. C.
Brandeggee	Fletcher	Overman	Smoot
Briggs	Foster	Owen	Stephenson
Bristow	Heyburn	Page	Sutherland
Bryan	Johnston, Ala.	Penrose	Swanson
Burton	Lea	Percy	Thornton
Clark, Wyo.	Lodge	Rayner	Wetmore
Crane	McCumber	Richardson	
Crawford	McLean	Root	
Culberson	Newlands	Simmons	

## NOT VOTING—25.

Bacon	Davis	Lippitt	Taylor
Bailey	Dillingham	Martin, Va.	Tillman
Bankhead	Dixon	Nelson	Warren
Bradley	Gallinger	Paynter	Watson
Burnham	Gamble	Reed	
Clarke, Ark.	Gore	Smith, Md.	
Cullom	Guggenheim	Stone	

So Mr. JONES's amendment was rejected.

Mr. SMITH of Michigan. I offer an amendment, which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 5, after line 3, insert the following:

Any person who was held as a prisoner of war during the Civil War for a period of 90 days shall be entitled to a pension at the rate of \$30 per month.



The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was rejected.

Mr. BURNHAM. I offer an amendment, which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. After the words "as follows," on page 3, line 20, strike out all down to and including line 23, page 4, and insert in lieu thereof the following:

"In case such person has reached the age of 62 years and served 90 days, \$12 per month; 6 months, \$13.50 per month; 1 year, \$15 per month; 1½ years, \$16.50 per month; 2 years, \$18 per month; 2½ years, \$19.50 per month; 3 years or over, \$21 per month. In case such person has reached the age of 66 years and served 90 days, \$14 per month; 6 months, \$15.50 per month; 1 year, \$17 per month; 1½ years, \$18.50 per month; 2 years, \$20 per month; 2½ years, \$21.50 per month; 3 years or over, \$23 per month. In case such person has reached the age of 70 years and served 90 days, \$16 per month; 6 months, \$17.50 per month; 1 year, \$19 per month; 1½ years, \$20.50 per month; 2 years, \$22 per month; 2½ years, \$23.50 per month; 3 years or over, \$25 per month. In case such person has reached the age of 75 years and served 90 days, \$20 per month; 6 months, \$21.50 per month; 1 year, \$23 per month; 1½ years, \$24.50 per month; 2 years, \$26 per month; 2½ years, \$28 per month; 3 years or over, \$30 per month."

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from New Hampshire [Mr. BURNHAM].

Mr. BURNHAM. Mr. President, I desire to make a very brief statement by way of comparison between the proposed amendment and the substitute reported by the committee, sometimes known as the McCumber amendment. I want to state this in figures and to ask the attention of the Senate for a few moments only.

I have taken five years by the estimate of the Pension Bureau and have tried to ascertain, and have, in fact, ascertained, the average annual increases for the next five years on the two propositions—the McCumber substitute and the proposition I have just offered. I find that for each year for the next five years under the substitute offered by the committee, it will be \$20,410,800; under this amendment as proposed it will be \$25,455,988.

Mr. CULBERSON. Mr. President—

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Texas?

Mr. BURNHAM. Certainly.

Mr. CULBERSON. I will ask the Senator from New Hampshire what effect on the McCumber amendment will the adoption of the amendment offered by the Senator from Nebraska [Mr. Brown] have by way of increasing?

Mr. BURNHAM. This has no connection with the amendment just offered by me. It would of course add to the McCumber amendment; how much, I can not state.

Mr. CULBERSON. It was adopted by the Senate as an amendment to the McCumber substitute.

Mr. BURNHAM. That is one amendment and this which I have proposed is another. This does not include or reach the one about which the Senator inquires.

Mr. CULBERSON. It may not reach the particular matter, but I thought the Senator could advise me as to how much the amendment adopted by the Senate, known as the amendment offered by the Senator from Nebraska, would add to the McCumber amendment.

Mr. BURNHAM. I have given no especial attention to the question as to the amount that would be added. I can only speak definitely with reference to propositions as to which we have obtained the estimates of the department.

Mr. McCUMBER. If the Senator will yield to me, I think I can give the Senator from Texas some information.

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from North Dakota?

Mr. BURNHAM. Certainly.

Mr. CULBERSON. I shall be glad to have the Senator from North Dakota do so.

Mr. McCUMBER. It can not be given in exact figures, but if one would take the present law, in a very short time he could make the computation. The section which has been placed in the bill reads:

That any person who served in the military or naval service of the United States during the Civil War and received an honorable discharge and who was wounded in battle or in line of duty, and is now unfit for manual labor, through causes not due to his own vicious habits, or who from disease or other causes incurred in line of duty resulting in his disability is now unable to perform manual labor, shall be paid the maximum pension under this act, to wit, thirty dollars per month.

The Senator will see from the reading of that clause that it will practically increase to \$30 per month the pension of every soldier who incurred disability in the Civil War—

Mr. CULBERSON. How much?

Mr. McCUMBER. Just a moment. A great many of them, of course, are receiving more than \$30 now; a large number of them are receiving less than that sum. I would have to take the number and make the computation, but there are perhaps twenty-five or thirty thousand, any way, who are receiving their pensions under the general law for disabilities, and perhaps a greater number than that. Perhaps a third of those—I am merely giving a rough guess—may now be receiving \$30 per month. That would leave the other two-thirds of that number receiving about the same amount, \$30. The Senator will see why this is so. Everyone knows that there is no soldier now who is able to perform manual labor. All of them are now of advanced age.

Mr. CULBERSON. How near, if the Senator please, will this amendment approximate to the Sherwood bill?

Mr. McCUMBER. The amendment is one of the sections of the Sherwood bill, and it would add several millions, but just how much I can not now tell.

Mr. SMOOT. Mr. President—

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Utah?

Mr. BURNHAM. Certainly.

Mr. SMOOT. Mr. President, in answer to the Senator from Texas [Mr. CULBERSON] I call his attention to a report made by the Secretary of the Interior on December 16, 1911, found on page 15 of the Senate Pension Committee's Document on Military and Naval Pensions of the United States, in which he discusses House bill No. 1, section 2, and states as follows:

It is a very difficult matter to give an accurate estimate as to the increased cost which would result from the second section of this bill. In view of the fact that each person to be entitled to the \$30 rate thereunder must have been wounded in battle or in line of duty or must have been disabled from some disease or other cause incurred in the line of duty and be unfit for or unable to perform manual labor. It is not believed, however, that the number of beneficiaries under this section would exceed 15,000. The increase in the disbursements due to this section would probably, therefore, not exceed \$2,500,000 per annum.

Mr. CULBERSON. Mr. President, I ask the Senator from New Hampshire to excuse me. I would not have interrupted him had I known it would have taken so much time from the line of his thought.

Mr. BURNHAM. I am very glad the question was asked; it is entirely satisfactory.

Mr. OVERMAN. Mr. President, one question.

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from North Carolina?

Mr. BURNHAM. I do.

Mr. OVERMAN. I want to ask the Senator from Utah a question. I understand that the adoption of the amendment of the junior Senator from Nebraska will only add about two millions to the McCumber amendment.

Mr. SMOOT. That it will add \$2,500,000 is the estimate, Mr. President.

Mr. BACON. Will the Senator from New Hampshire pardon me for just a moment right on that line?

Mr. BURNHAM. Certainly.

Mr. BACON. I understand the amendment offered by the Senator from Nebraska will put upon this list every Federal soldier who had received a wound in battle; it matters not whether he was disabled by that wound or not; if he had a scratch, if a drop of blood was drawn, he will be on this list.

Mr. SMOOT. Mr. President—

Mr. BACON. Pardon me a moment. It is an impossibility for the Commissioner of Pensions or anyone else to estimate how many soldiers that provision might include, though he can tell how many have been disabled by wounds. A great many soldiers, perhaps a majority of soldiers who are wounded, are not disabled by wounds. We had an example here to-day of the honorable Senator from Alabama [Mr. JOHNSTON], who stated that he was wounded four times in battle, but was not disabled.

Mr. McCUMBER. It does not make any difference whether the soldier was disabled or not; if he was wounded, he receives the pension.

Mr. BACON. If he was wounded, whether disabled or not, he receives it. There are no statistics by which an estimate can be made as to the number of soldiers who can be put upon this list under the amendment of the Senator from Nebraska. My judgment is that the large majority of soldiers who saw any very extended service were, during that service, wounded slightly, if not seriously.

Mr. SMOOT. Of course the bill provides that the soldier must be wounded in the line of duty and also be unfit for or unable to perform manual labor?

Mr. McCUMBER. But not due to wounds.

Mr. SMOOT. No; not due to wounds.

Mr. BURNHAM. I wish to say, Mr. President, in general terms, that the proposition now offered carries \$5,000,000 annually as an increase for the next five years, over and above the McCUMBER substitute. By way of comparison I will say that for the first year, under the McCUMBER substitute, the expenditure would be \$11,454,000; under the pending proposition it would be \$14,722,000; the second year it would be \$33,000,000 under the McCUMBER substitute, and \$40,373,000 under the present proposition, and so on, making, as I say, a difference of \$5,000,000 in the annual increase during the next five years. The increase comes about largely from the fact that service is recognized more in the amendment I have offered than in the committee substitute, though not to any great extent. After the pensioner reaches 70 years of age there is then very little difference between the two propositions. At the hearing before the Committee on Pensions it seemed to me that the old soldiers were entitled to a larger amount than is proposed in the pending measure.

I should like to call attention to some of the statements made at the committee hearing by men who are entitled, as it appears to me, to the respect and confidence of all the Senators. The men who came here were sent for by the chairman of the committee to enlighten and instruct, so far as they could, that committee. Three of them were past commanders in chief of the Grand Army of the Republic; three of them were department commanders, the heads of departments in their several States, and another was a man who had been for years a commander of a Grand Army post. In all, there were seven men, members of this committee, and they were the only men authorized by the great organization of the Grand Army of the Republic to speak for it in regard to pensions. They came before the committee, and some of their statements I wish you to hear.

One of them, in substance, was that they were not satisfied with proposition No. 11, which is the basis of the so-called McCumber amendment. They wanted something more than that; but they were satisfied, as they expressed it, with No. 13, one of the 18 propositions that have been submitted here. No. 13 embodied substantially what I have proposed in the amendment I have submitted, which is within a million dollars of the amount involved in proposition No. 13; or, in other words, 4 per cent added to the amount called for by my amendment would, as expressed by the especially authorized men of the Grand Army of the Republic, satisfy the old soldiers.

Mr. President and Senators, if we are to pass a pension bill, let us pass one that is reasonably satisfactory and just to the old soldiers of the Union Army, and not one which will cause great dissatisfaction, such as proposition No. 11, which, as I have said, is the basis of the substitute reported by the committee, the only difference being that the substitute divides service into periods of six months instead of one year.

I have stated in substance what the position of these men was. I intended to read their testimony given at the hearing, but I will not stop to do so now. They called attention to the condition of the soldiers in a manner that appealed to me; they told us what reasons they had for asking a pension at this time; they told of their increasing years and of their increasing infirmities and of all those sacrifices which have been so eloquently spoken of here.

The members of the Grand Army, I submit, are not men clamoring for anything that is unreasonable or unjust. Their fairness and candor were manifest, and I think they spoke their honest convictions when they told us that they wanted legislation along the line of my amendment and would be entirely satisfied with it.

I believe that a bill granting something more than what is allowed in the pending substitute should be passed by the Senate at this time.

I hope it will not happen that the Senate will hunt for the smallest amount offered to the old soldiers at this time, select that, and say to them, "This is the best we can do for you." No; I do not believe we want to do that. Rather, let us do something more, something that men who know what they are talking about believe to be reasonable. Let us stand by the old soldiers, and let us do what all of us claim we want to do—that which is just and fair and right.

I appeal to Senators on the other side as well as on this side, for I remember that always in the Committee on Pensions—I do not recall an exception—when special pension bills have been under consideration, the Senators from the southern States have stood with the Senators from the northern States and have been liberal, fair, and just in every instance in their action affecting matters which came before that committee.

I ask the same consideration now and appeal to you when this matter comes to be voted on to think of the record that was made there, and to make a similar record here. To Senators on this side I simply want to say that all that has been said for the old soldiers goes for nothing unless we stand by them now. It is true the amendment proposed by me carries a larger amount than that proposed by the committee substitute; but remember that these men are growing older every year, their infirmities are increasing every day, and they are dying off rapidly.

Are we able to pay the amount? That was one of the questions put to these men representing the Grand Army of the Republic, and they replied: "If this country is not able to pay us, of course we will not ask it." Not able to pay! This great, rich Nation not able to pay for the services of the men who saved the Union and the Constitution! Not able to pay! Why, from the products of the soil alone there is added to the wealth of this great Nation eight or nine billion dollars every year.

I might go on, but I will not detain the Senate. The hour is late, and I will simply say that this great, rich country can always afford to be just. Let it be just in this instance, and let the Senate vote for the amendment.

Mr. McCUMBER. Mr. President, I have neglected making any statement in answer to the very numerous arguments that have been made on this floor as to what the old soldiers want. I refrained from answering any of those arguments because I felt that the hour was late and probably Senators would rather vote upon this question than hear any more discussion. I would not at this time make such a statement had not the Senator from New Hampshire [Mr. BURNHAM], who has just spoken, made a statement as to what the old soldiers want. As chairman of the Committee on Pensions I think I have probably been in a position to receive as definite information regarding the sentiments of the Grand Army of the Republic as has any Senator here. When the Senator from Iowa [Mr. KENYON] declared yesterday that the soldiers do not want what he called the "Smoot amendment" and that they do want the Sherwood bill, I was satisfied to let the matter pass at that time; but let me now make exactly what I believe is a just statement of the attitude of the soldiers.

Every individual who will take the various propositions will figure, just as you and I would, to determine which one of the bills will give him the greatest amount for the rest of his life; and he will naturally, the same as you and I would, favor that bill which will inure to his greatest benefit. That is true of the soldier as it is true of everyone else. So, to the extent possibly that the Sherwood bill would carry a greater amount to a greater number, that greater number who would receive the greater amount might possibly be in favor of it; but the principle established in the bill is condemned universally by the Grand Army of the Republic and by the soldiers generally. The representatives of the Grand Army of the Republic stated in every utterance relating to the subject, "We do not want the single standard of service as the basis of granting pensions." I might quote a great many of these statements, but it is unnecessary for me to go over them. I simply say that of the five men who were present and who spoke for the Grand Army of the Republic, when asked whether they preferred the double standard we have adopted or whether they preferred the Sherwood standard, every one of them answered in favor of the standard adopted by the committee; and when I put the question to each one in private conversation, "If you were limited to the two propositions—the double standard or the age standard, standing singly—which would you prefer?" every one answered that he would prefer the age standard rather than the service standard.

So, therefore, Mr. President, the standard provided by the proposed amendment is not satisfactory to the greater number of soldiers, although the amount involved might meet the requirement of giving the greater number the greater amount at the present time.

Mr. KERN. Mr. President—

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Indiana?

Mr. McCUMBER. I yield.

Mr. KERN. I only want to ask the Senator from North Dakota whether, of the hundreds of Grand Army posts scattered through the country that have expressed themselves on this question, there has been a single one that has passed resolutions in favor of the so-called McCumber-Smoot bill?

Mr. SMOOT. Yes; there has.

Mr. McCUMBER. More of them have passed resolutions in favor of the Sulloway bill, which was an age-standard bill alone,



than in favor of the Sherwood bill. The Senator from Kansas [Mr. CURTIS] properly expressed not only his own view but the view of the soldiers of the Civil War when, in answer to my question yesterday, he stated that if both bills carried the same amount he would prefer the double-standard bill. That is also the view of the old soldiers.

I want to answer now the statement made by the Senator from New Hampshire.

Mr. BRISTOW. Mr. President—

The VICE PRESIDENT. Will the Senator from North Dakota yield to the Senator from Kansas?

Mr. McCUMBER. Certainly.

Mr. BRISTOW. I should like to inquire if the amendment which we are now considering does not provide for the double standard?

Mr. McCUMBER. Oh, certainly. I am simply answering the statement that the soldiers demand the system of granting pensions on service alone, as provided in the Sherwood bill, rather than on age, or on age and service. As a matter of fact, they prefer the double standard if you will grant the same amount. There can be no possibility of a question about that.

I want to make clear to the Senate now just what was the attitude of the representatives of the Grand Army of the Republic upon the two propositions, 11 and 13, which, as modified, become, respectively, 16 and 18. Before the members representing the Grand Army of the Republic appeared before the committee they met together and unanimously adopted a resolution which read:

*Resolved*, That it is the sense of this committee that the age and service standards should be combined in any pension measure enacted by the present Congress, to the end that justice and equity be done to all classes of our comrades.

That was their sentiment, expressed in their resolution, and reaffirmed at their last encampment, when they again demanded that the Sherwood bill be amended so as to more nearly conform to the Sulloway bill.

What did that mean? It meant that they would be glad to accept the amount carried by the Sherwood bill, but preferred to receive whatever amount is granted upon the basis of an age standard, and as between the two, after consideration, they determined that they preferred the double standard.

I prepared 18 different propositions to submit to that committee, embracing different combinations of the double standard. One was No. 11, which divided Army service into periods of one year, and ran up, I believe, to four years. No. 13 also divided it into one-year periods. If you divide it into six-month periods, it will greatly increase the amount of pensions. They were not satisfied with No. 11; they would rather have more than was provided for in No. 11. They desired the amount that would be carried under No. 13; but afterwards we modified No. 11 so as to bring it up nearer to the original No. 13, by making the basis of it six-month periods of service. In other words, by that act alone we added \$3,000,000 to the amount provided.

Then, again, proposition No. 11, in the manner of its division, seemed to meet the approval of the greater number of the Grand Army of the Republic representatives with whom I talked—that is, arranging it so as to recognize a certain increase laterally on service and an increase perpendicularly (as we have been used to calling it) on age.

We fixed that part satisfactorily. The same arrangement does not hold in proposition No. 18. In other words, the two are not the same in the matter of arrangement. If they were exactly the same, then we could say we would add so much more to them.

The Senator says they would not be satisfied with No. 11 as modified. I want to give him the testimony of just one gentleman who had been before his own people and before his own Grand Army post.

Mr. BURNHAM. Mr. President—

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from New Hampshire?

Mr. McCUMBER. With pleasure.

Mr. BURNHAM. I am sure the Senator does not wish to make a misstatement. What I said was that their opposition was directed to proposition No. 11. I do not know whether or not anything was said about No. 16.

Mr. McCUMBER. In other words, they preferred more than was granted in No. 11; but when we modified No. 11 so that we brought it up more nearly to No. 13, which appealed to them in the first instance, by adding three more millions—

Mr. BURNHAM. The Senator did not quite bring it up.

Mr. McCUMBER. No; we did not quite bring it up as far as No. 13, but we brought it up three millions more.

Now I want to read the testimony of Mr. Redman, one of the members of this Grand Army committee. His reference is to proposition No. 11 before it was modified; not after it was

modified. He represented the Grand Army of the Republic as one of their pension committee. I read from page 17:

Mr. Chairman and gentlemen of the committee, I am from the great State of New York. Since the 1st of January, practically speaking, I have done nothing but talk about pensions. I have visited some 12 posts in the western part of the State, installing the officers in 10 of them, and in each case I have taken from 30 to 45 minutes to talk upon the question of pensions, explaining to them the difference in the different bills and then getting their expression after the meetings.

I find that 95 per cent of the veterans in western New York to whom I have talked—I assume 5,000 or 6,000 altogether—are unanimous in favor of a double-standard bill. They will be perfectly satisfied with such a bill. In our city of Rochester we have a very large number of militia that served three months in the fall of 1864. I have taken particular pains to talk with those comrades individually. They all express their satisfaction with and support of the present bill, either proposition No. 11 or No. 13.

I had a copy of proposition No. 11 with me at nearly every meeting. Last Friday night I was in Buffalo, where I addressed the largest post in the world, with something over 700 members. Over 400 of them were present. I had there a copy of the McCumber Senate bill. I read it and talked upon the bill for 30 minutes. I failed to find one comrade in that gathering that was not absolutely satisfied with a bill of that character. Of course I think you will all concede, gentlemen, that No. 13 is a little better holdout than No. 11. Of course I should favor that myself. It was unanimous with the committee of which I have the honor to be a member.

Mr. President, there is a little difference, some \$8,000,000 in the second year, but I would prefer to put this through this year. I would prefer to keep within our income this year. I believe the same spirit of fairness and generosity that actuates the Congress to-day will be in existence a year from to-day, when we can conform our income to meet the added expenses. As I have stated, I stand ready to add to them, and believe that we should add to them very materially.

Mr. BURNHAM. Mr. President, just a word. With reference to the double standard, I am free to say that that is one of the features of this amendment that is copied from the substitute of the chairman of our committee. I want to say, further, that this double standard, which seemed to appeal, as he has stated, to all of these visiting soldiers, was a proposition which originated with the chairman himself, and certainly is most commendable. It was that proposition that these gentlemen were talking about quite a good deal, and to which the Senator has referred.

I want to say to the Senator that the expression from all of those men was that they preferred No. 13. There was not any doubt about it; they preferred No. 13. The proposition that I have offered comes within 4 per cent of No. 13; and if we are to satisfy these men I think we ought to do what I have proposed.

Just a word more. The Senator has called attention to the member of the committee of the Grand Army who was the commander of a post in the State of New York. I have called your attention to two men who testified, one of them Mr. Torrance, past commander in chief; another, Washington Gardner, another past commander in chief. Both of them expressed their dissatisfaction with this proposition No. 11.

I want to say another thing. If you will cover the period that I have in this proposition for five years, you will have, according to the Treasury estimate, an abundance of revenue to pay it. If you cover an average of two years, you will have, according to the estimate of thirty or thirty-three millions of surplus, an abundance to pay it. I submit that it does not lie with us here, with our vast appropriation bills, to invoke against this proposition for the first time the matter of indebtedness or possible indebtedness, or the necessity for issuing bonds on the part of the United States.

Mr. KERN. Mr. President, referring to the subject discussed by the Senator from North Dakota, and particularly to the statements made to the Pension Committee by the representatives of the Grand Army of the Republic, I desire to call attention to a letter handed me to-day by a very reputable soldier of the District, past post commander of Lincoln Post, No. 3. He says:

There is not a G. A. R. post from Maine to California which has seen fit to indorse the Pension Committee for any expression favorable to the McCumber bill; on the other hand, G. A. R. posts by the score, veterans of the Spanish War, and nearly every legislature of the Northern States, where the bulk of our Civil War veterans reside, have petitioned both Houses of Congress praying for the so-called dollar-a-day pension bill.

As it refers exclusively to the matter discussed by the Senator from North Dakota, I will ask to have this letter, which is not long, incorporated into the Record.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter referred to is as follows:

206 SIXTH STREET SE.,  
Washington, D. C., March 29, 1912.

HON. JOHN W. KERN,  
United States Senate.

DEAR SIR: I beg leave to respectfully call your attention to the within clipping of the CONGRESSIONAL RECORD of March 16, 1912, in reference to House bill No. 1, known as the Sherwood dollar-a-day service pension

bill, which you so ably defended on the floor of the Senate several days ago.

This clipping I send you is not the sentiment of the Grand Army of the Republic. In the speech following your masterly advocacy of the Sherwood bill, Senator McCUMBER, I believe, championed the McCumber-Smoot proposition on the same day. You will find on page 3609 of the RECORD of March 16, 1912, statements of the several prominent Grand Army of the Republic men who represent the committee on pension legislation appointed at Atlantic City during the encampment held at that place in August, 1910.

Inasmuch as the encampment of the Grand Army of the Republic saw fit to select those honorable gentlemen to represent the veterans' interest, that duty has been one of painstaking and a trying one; but when they undertake to voice the sentiment of the entire veterans of the Civil War, when they say the Grand Army of the Republic favors the McCumber-Smoot bill or proposition, or any other bill than H. R. No. 1, they assume too much responsibility of their own views in that respect.

There is not a Grand Army of the Republic post from Maine to California which has seen fit to indorse any single one of the pension committee for any expression favorable to the McCumber bill; on the other hand, Grand Army of the Republic posts by the score, veterans of the Spanish War, and nearly every legislature of the Northern States, where the bulk of our Civil War veterans reside, have petitioned both Houses of Congress praying for the so-called dollar-a-day pension bill.

I hope the honorable Senator will pardon me for assuming the privilege in writing this letter, but I simply could not refrain from writing and letting you know that the pension committee of the Grand Army of the Republic does not represent nor voice the sentiment of a single post of the Grand Army of the Republic favoring any bill other than the dollar-a-day bill which passed the House and known as H. R. No. 1, and I trust you will be in the Senate ready to make some reply to those statements offered in support of the McCumber bill this afternoon.

I desire to say that 95 per cent of the Civil War veterans who have loyally and gallantly defended the old flag and the Union in those days of trial and danger are to-day praying for the passage of the so-called dollar-a-day pension bill, H. R. No. 1, as it passed the House of Representatives.

I do hope you will successfully win out for those deserving and almost destitute veterans and bring to them the necessary relief in their declining years.

Sincerely, yours,

DANIEL WILLIAMS,

Late Company K, Twenty-third Pennsylvania Volunteer  
Infantry, Past Post Commander Lincoln Post, No. 3,  
Department of the Potomac.

Mr. BRADLEY. Mr. President, I shall not detain the Senate—

Mr. KENYON. I rise to a point of order. We can not hear what is being said on account of the confusion, and we should like to hear it.

The VICE PRESIDENT. The Chair thinks the point of order is well taken. The Senate will be in order.

Mr. BRADLEY. Mr. President, I do not desire at this late hour to unnecessarily take up the time of the Senate, and speak only in behalf of the soldiers. If I remember correctly, however, the soldiers never complained about the taking up of their time by the country in its hour of need.

No bill can be passed here that will please everybody. For that reason I was deeply interested in hearing the members of the Grand Army of the Republic before our committee. Representing, as they do, the only organization of Union soldiers in this country, I was very anxious to hear their opinion. They opposed the Sherwood bill because it was founded alone upon service. They were in favor of the standard proposed in the Burnham bill. They did not ask for the bill that carried the most money, because it was estimated that the Sherwood bill would carry \$75,000,000. They only asked for proposition 13, which is embraced in the bill introduced by the Senator from New Hampshire. They said that with that bill they would be satisfied. They asked for this only as a matter of justice, and I quite agree with the Senator from New Hampshire, that they are entitled to justice.

We hear much said now about living within our income. We did not talk in that way when we asked these men to carry the flag. There was nothing then said about not being able to pay them, but all sorts of fair promises were made in order to induce them to volunteer to save the Union. I do not think we should talk that way now. These men are entitled to pensions as a matter of right and not as a matter of charity. We owe them a debt that we can never pay, because they saved the country; and but for them we would have no Union or Constitution; but for them we would not enjoy the liberty nor have the wealth and power that we enjoy to-day.

Mr. President, I think that when these old soldiers come and tell us what they want and put themselves within the limit of reason it would be little less than an outrage for us to refuse to give them what they ask.

It has been a long while since the war, and some here do not know anything about it, some who have heard but little about it. I saw something of it. I saw something of the blood and the tears and the sorrow of that period. I heard the cries of weeping widows and orphan children. I saw the brave boys as they marched to the battle field, under the flag, to the music of the drum and fife, in all their young manhood and strength. I saw them dead upon the battle field. I saw them brought home, not with their shields, but upon them. I heard the clods that

fell upon their coffins. I saw the dark cloud of woe and anguish that overhung this country. Ah, we must not forget these things. These men are old now. They have not the step that they had then. Their ranks have been decimated, and they have become old and feeble. Comparatively few of them are left. The large majority have passed over the river and are now resting under the shade of the trees.

Mr. President, shall we fail to do them justice? Shall we refuse to give them what they are willing to take, not as a charity, but as right under the duty that we owe them for the grand service that they performed?

I voted in the committee against reporting the Sherwood measure because I did not believe it would pass the Senate, and the Grand Army opposed it because they wanted an age and service bill combined. I voted in favor of reporting the Burnham bill, now being considered. I am in favor of it to-day. I beg and plead with the Senate to give these men some measure of justice. To my friends across the way, some of whom were gallant soldiers on the other side, I make a special plea. If there is any man who should love the soldier, it is the soldier who met him upon the battle field and struggled with him for supremacy. I appeal to the old ex-Confederates in the Senate to do what is right toward these old men who were foemen worthy of their steel.

A short time ago in Kentucky a bill was introduced in the legislature to pension the Confederate soldiers, and every Republican voted in its favor. I ask you now to be as generous to the Union soldiers as our people were to yours in Kentucky.

Mr. President, we are told that there have been many billions of dollars paid in pensions during the long period of 50 years. Yes; there have been; and there have been many billions of drops of blood shed upon the field of battle; there have been many graves dug, that rise to-day like billows upon the sea, underneath which repose the gallant men who lost their lives in the service of our country and its flag.

Mr. WILLIAMS. Mr. President—

Mr. BRADLEY. Do not talk to me about what pensions have cost. The question now is how shall these men be paid what is justly due them and what they have the right to ask.

The PRESIDING OFFICER (Mr. BRANDEGEE in the chair). Does the Senator from Kentucky yield to the Senator from Mississippi?

Mr. BRADLEY. Certainly.

Mr. WILLIAMS. The Senator stated that every Republican member of the Kentucky Legislature voted for a bill to pension ex-Confederate soldiers in Kentucky. Would the Senator from Kentucky kindly state what the amount of the pension was per month or per year?

Mr. BRADLEY. Mr. President, I really do not know, but I can say it was all that was asked.

Mr. WILLIAMS. Ah, Mr. President, then it comes down to a comparison of what men ask. Can not the Senator from Kentucky approximate the amount that was paid to the ex-Confederate soldiers by the Legislature of Kentucky?

Mr. BRADLEY. I can not.

Mr. WILLIAMS. Was it \$6 a month?

Mr. BRADLEY. I do not remember.

Mr. WILLIAMS. Was it \$3 a month or over?

Mr. BRADLEY. I do not remember. I think that the bill was introduced by some Democrat as a measure of justice, and I suppose that no Democrat in Kentucky would value the services of a Confederate soldier at so small a sum as \$3 a month.

Mr. WILLIAMS. Mr. President, if the Senator from Kentucky will pardon the interruption, there was sitting to my left a Kentucky Republican Member of the House and he has told me that the amount was \$10 a month. Does the Senator remember if that is correct?

Mr. BRADLEY. I do not; but, as I have said—

Mr. WILLIAMS. If it were \$10 a month, that is less than any pension in this bill.

Mr. BRADLEY. Well, Mr. President, all I have to say in response to that is, in the first place, if they conceived that \$10 is all they were entitled to, that was their business and not mine. In the next place, I want to say that the difference in value was very great between their services and those for whom we are now legislating. In their case the pension was given to men who fought to destroy the Government, and in this we are asking for a pension to men who fought to preserve it.

Mr. WILLIAMS. Mr. President, I should like to ask the Senator from Kentucky another question. Of course I appreciate the point he has just made. That does not, however, affect the Legislature of Kentucky very much I imagine. Did the pension bill extended to ex-Confederates in Kentucky include anybody except those who were not in the enjoyment of an income sufficient to live without a pension?



Mr. BRADLEY. I do not know; I was not there. I simply know that such a bill was passed.

Mr. WILLIAMS. I should like to add a word, if the Senator from Kentucky will permit me, and then I will not bother him any more.

The PRESIDING OFFICER. Does the Senator from Kentucky yield further to the Senator from Mississippi?

Mr. BRADLEY. With pleasure.

Mr. WILLIAMS. If the State of Kentucky did give any pension to the Confederate soldiers upon any other basis than absolute need and necessity now, the State of Kentucky did something which no other Southern State, as far as I know, has done.

Mr. BRADLEY. That may be true, Mr. President; Kentucky is in the habit of doing things that no other Southern State ever did.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from New Hampshire [Mr. BURNHAM].

Mr. BURNHAM. On that question I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BACON (when his name was called). I again announce my pair with the Senator from Minnesota [Mr. NELSON] and withhold my vote.

Mr. JOHNSTON of Alabama (when Mr. BAILEY's name was called). I announce that the Senator from Texas [Mr. BAILEY] is paired with the Senator from Montana [Mr. DIXON]. If the Senator from Texas were present, I am satisfied he would vote "nay."

Mr. BRADLEY (when his name was called). I again announce my pair with the senior Senator from Tennessee [Mr. TAYLOR] and withhold my vote.

Mr. BURNHAM (when his name was called). I make the same announcement with reference to my pair as before.

Mr. DILLINGHAM (when his name was called). Because of my pair, already announced, I withhold my vote.

Mr. BURNHAM (when Mr. GALLINGER's name was called). I make the same announcement in reference to my colleague as before.

Mr. GAMBLE (when his name was called). On account of the pair which I have heretofore announced, I withhold my vote. If I were permitted to vote, I would vote "yea."

Mr. HEYBURN (when his name was called). I have a pair with the Senator from Alabama [Mr. BANKHEAD]. I am advised that if he were present he would vote "nay." I should vote "yea." So the pair will stand.

Mr. SWANSON (when the name of Mr. MARTIN of Virginia was called). I have stated the pair of my colleague [Mr. MARTIN]. If he were present, he would vote "nay."

Mr. WATSON (when his name was called). I again announce my pair with the junior Senator from Wyoming [Mr. WARREN].

The roll call having been concluded, the result was announced—yeas 29, nays 36, as follows:

#### YEAS—29.

Borah	Cummins	La Follette	Poindexter
Bourne	Curtis	Lorimer	Shively
Bristow	Gardner	McLean	Smith, Mich.
Brown	Hitchcock	Martine, N. J.	Townsend
Chamberlain	Johnson, Me.	Myers	Works
Chilton	Jones	O'Gorman	
Clapp	Kenyon	Oliver	
Crawford	Kern	Page	

#### NAYS—36.

Brandagee	Foster	Owen	Smith, Ga.
Briggs	Gronna	Penrose	Smith, S. C.
Bryan	Johnston, Ala.	Percy	Smoot
Burton	Lea	Perkins	Stephenson
Clark, Wyo.	Lodge	Pomerene	Sutherland
Crane	McCumber	Rayner	Swanson
Culbertson	Newlands	Richardson	Thornton
du Pont	Nixon	Root	Wetmore
Fletcher	Overman	Simmons	Williams

#### NOT VOTING—26.

Bacon	Davis	Heyburn	Stone
Bailey	Dillingham	Lippitt	Taylor
Bankhead	Dixon	Martin, Va.	Tillman
Bradley	Gallinger	Nelson	Warren
Burnham	Gamble	Paynter	Watson
Clarke, Ark.	Gore	Reed	
Cullom	Guggenheim	Smith, Md.	

So Mr. BURNHAM's amendment was rejected.

Mr. KENYON. I offer the amendments which I send to the desk.

The VICE PRESIDENT. The Senator from Iowa offers an amendment, which will be stated.

The SECRETARY. In line 3, page 4, strike out the word "sixty-six" and insert in lieu thereof the word "sixty-four."

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was rejected.

The SECRETARY. Also, in line 10, page 4, strike out "seventy" and insert "sixty-eight."

The amendment was rejected.

The SECRETARY. Also, in line 17, strike out "seventy-five" and insert "seventy."

The amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the substitute offered by the committee.

Mr. CURTIS. On that I demand the yeas and nays.

The yeas and nays were ordered.

Mr. WILLIAMS. Before you proceed to that, Mr. President, there is an amendment which I offered some days ago.

The VICE PRESIDENT. The Senator from Mississippi offers an amendment, which will be stated.

The SECRETARY. Add as a new section at the end of the bill the following:

Sec. —. That no person shall receive a pension under this act who is or shall be in receipt of an income of \$1,200 per year.

Mr. WILLIAMS. Mr. President, I do not want to make a speech. It is too late for it; everybody is tired; we want to get through and go home. I hardly hope that the amendment can pass. I have offered it because it seemed to me just and right that it should be offered.

This morning at some time the question arose as to where the Government would get the money from to pension old soldiers who were needy and necessitous. The Senator from Indiana [Mr. KERN] said, and said very touchingly, that there were a great many of them who could not live upon the pensions which they were now receiving, and who had no other sources of income except their pensions. I felt then like answering the question propounded by saying you should find out what is the average income of an American family. I do not know what the figures are under the census of 1910, but under the census of 1900 it was \$460 a year. If you would fix \$140 more than that and say that nobody should receive a pension who was in the enjoyment of an income of \$600 a year—\$50 a month—you would save enough money from the pension roll by that to keep out of destitution every ex-Federal soldier in the United States. You would save by it, unless my calculation is wrong, some fifteen or twenty million dollars, taken from those who do not need it and given to those who do need it.

Mr. President, I have never had much sympathy for that sort of patriotic sentiment that sounds in dollars and cents. I have a very high degree of sympathy for that sort of sentiment which does not permit an old man who has served his country in times of war to suffer in his old age. I expect, if the truth were known, that I would go as far as any of you to take care of that class of pensioners. I do not know that the suspicion is absolutely correct, but I am persuaded that it is; I suspect that I would go as far as any of you in that direction.

But I have not wanted to push the amendment to that point. I have not offered an amendment that no one in receipt of \$600 a year clear income should receive any benefit from this pension act. I have offered an amendment that nobody in the enjoyment of an income of \$1,200 a year or over should receive any benefit from this pension act.

That is \$100 a month, twice as much as the average head of a family in the United States enjoys, and it must be remembered that one-third of the population of the United States is in a section of the country that pays pensions but receives no pensions. I am not complaining of that. It is the war tribute which the defeated must pay. We grin and bear it, and we ought to grin and bear it; but we do it that neither we nor the deserving people of the balance of the United States, carpenters, blacksmiths, preachers, ought to be taxed in the name of patriotism to pay largesses to men who are already in such a good condition financially that they are twice as well off as the average head of a family in the United States. I have, therefore, offered this amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Mississippi.

Mr. WILLIAMS. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BACON (when his name was called). I again announce my pair with the Senator from Minnesota [Mr. NELSON], and, not knowing how he would vote, I withhold my vote.

Mr. JOHNSTON of Alabama (when Mr. BAILEY's name was called). The Senator from Texas [Mr. BAILEY] is paired with the Senator from Montana [Mr. DIXON]. If the Senator from Texas were present, I am satisfied he would vote "yea."

Mr. JOHNSTON of Alabama (when Mr. BANKHEAD's name was called). My colleague [Mr. BANKHEAD] would vote the same way.

Mr. BURNHAM (when his name was called). I desire to make the same announcement as to my pair that I made on the former vote.

Mr. DILLINGHAM (when his name was called). Because of my pair already announced, I will withhold my vote.

Mr. BURNHAM (when Mr. GALLINGER's name was called). I desire to make the same statement in regard to my colleague [Mr. GALLINGER] as I did before.

Mr. GAMBLE (when his name was called). I am paired, as I have already announced, and I therefore withhold my vote.

Mr. CURTIS (when Mr. GUGGENHEIM's name was called). The Senator from Colorado [Mr. GUGGENHEIM] is paired with the Senator from Kentucky [Mr. PAYNTER].

Mr. HEYBURN (when his name was called). Because of the pair which I have already announced, I will withhold my vote. The roll call was concluded.

Mr. BRADLEY. I again announce my pair with the senior Senator from Tennessee [Mr. TAYLOR] and withhold my vote.

The result was announced—yeas, 30, nays 35, as follows:

## YEAS—30.

Borah	Gardner	O'Gorman
Bourne	Hitchcock	Overman
Bryan	Johnston, Ala.	Owen
Chamberlain	Jones	Percy
Culberson	Lea	Pomerene
du Pont	Martine, N. J.	Rayner
Fletcher	Myers	Root
Foster	Newlands	Simmons

## NAYS—35.

Brandegge	Crawford	McCumber	Shively
Briggs	Curtis	McLean	Smith, Mich.
Bristow	Gronna	Nixon	Smoot
Brown	Johnson, Me.	Oliver	Stephenson
Burton	Kenyon	Page	Sutherland
Chilton	Kern	Penrose	Townsend
Clapp	La Follette	Perkins	Wetmore
Clark, Wyo.	Lodge	Polindexter	Works
Crane	Lorimer	Richardson	

## NOT VOTING—26.

Bacon	Cummins	Guggenheim	Smith, Md.
Bailey	Davis	Heyburn	Stone
Bankhead	Dillingham	Lippitt	Taylor
Bradley	Dixon	Martin, Va.	Tillman
Burnham	Gallinger	Nelson	Warren
Clarke, Ark.	Gamble	Paynter	
Cullom	Gore	Reed	

So the amendment of Mr. WILLIAMS was rejected.

Mr. WILLIAMS. I now offer the amendment which I send to the desk, to come in at the end of the bill.

The VICE PRESIDENT. The amendment proposed by the Senator from Mississippi will be stated.

The SECRETARY. It is proposed to add at the end of the bill the following:

That the Commissioner of Pensions shall cause to be published in at least one newspaper at the capital of each State a complete list of the persons drawing pensions in that State, with their post-office addresses and the amount of said pension, and whether the pensioner is a soldier, soldier's widow, or child of a soldier; and there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, a sum not to exceed \$50,000 per annum to pay for such publication.

Mr. WILLIAMS. Mr. President, I shall take the Senate's time for hardly two minutes. The Senate has just voted down an amendment not to allow men with a clear income of \$1,200 a year to draw a pension under this proposed act. The Senate must have done it, if they did it upon any sensible theory at all, upon the theory that they want to make of the pension roll a roll of honor. At any rate, frequently that reason has been given in opposition to motions of that kind. If that be your reason, you do want to make it a roll of honor, do you not? If you will publish in each State the name of the pensioner and his post-office address you will call the attention of his neighborhood to him, and if he is a fraud and has no right to be drawing a pension, or if he is dead and if somebody else is drawing a pension for him, that fact will soon make itself known, and you may be able to save a great deal of money, which none of you want paid out.

I take it for granted that none of you want a man to receive a pension masquerading under the name of another man, that nobody wants a pension for a dead man received by somebody who is living, and that nobody wants a roll of honor to become tainted with dishonor by particular exceptions to its general character. If that be the case, there can be no harm in the utmost publicity with regard to pensioners and the amounts they are receiving.

In this connection I will state that I have the high authority of the present Republican President of the United States and a Republican ex-President of the United States—recently ex—to

the effect that publicity is a sort of sunlight cure for all sorts of evils. I hope this amendment, at any rate, will be voted for unanimously.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Mississippi.

Mr. WILLIAMS. I ask for the yeas and nays.

Mr. HEYBURN. Mr. President—

The VICE PRESIDENT. Does the Senator from Idaho desire to offer an amendment to the amendment?

Mr. HEYBURN. I desire to call attention, in response to what the Senator from Mississippi has said, to an amendment that I prepared and sent to the desk, and only withdrew because of the vote on the first amendment, which read thus:

Any and all sums of money that may be due to any person within the class named herein may, upon the sworn declaration of such person expressing his desire that any money that may be due or become due to him shall be transferred to a special fund for the purpose of the payment of any pensions authorized by law to be paid to any class of Union soldiers or sailors.

My purpose in that was to compel the persons receiving pensions, or to whom pensions were due, to make an affirmative declaration declining to receive the pension, and for it to be transferred to the general pension fund, so that then we would know who were quietly acquiescing in the receipt of a pension, despite the fact that they were in no need of it, and those who, feeling that they ought not in good conscience to receive a pension, would transfer it. That would have put them by the record under a provision, which I think is in this bill, requiring the publication of the names of pensioners. I only withdrew the amendment because the amendment to which I thought it was germane had not been agreed to.

Mr. McCUMBER. Mr. President, before the Senate votes upon this question it is probably proper to call to their attention the fact that the committee has already reported a section that seems to me to cover everything that is essential, except the matter of the publication, and the report which the committee asked for will cost nothing. Section 4 reads:

SEC. 4. That the Commissioner of Pensions shall make, at the time of submitting his next annual report, a separate report for each county of each State, Territory, or District, containing a statement or table which shall contain the names, lengths of service, monthly rates of payment, and residences of all pensioners of the United States; and shall thereafter, as said annual reports are submitted, make separate reports similar in all respects, except that such subsequent reports shall contain only those added to the pension roll during the fiscal year for which each annual report is made.

Now each county can receive separately, and in a statement that pertains to that county only, the names of every soldier in that county drawing a pension, with his length of service, and so forth, and publish it, if it is so desired; but it does not seem to be necessary, Mr. President, to appropriate money now for publishing something which perhaps the country does not desire to know, and which, if anybody does want the information, is in a public record and he can get it.

Mr. WILLIAMS. Mr. President, I hope the Senator from North Dakota will not misunderstand the purport of my amendment. If I understand what the Senator from North Dakota has just read, which appears on page 6, section 4, it does everything I want done except just what I want done; it fails to provide for publication. It is the blessed sunlight of publicity that I am seeking.

The Senator says that it will cost some money to do what, perhaps, the country does not want done. I take for granted that the country does want the sunlight of publicity upon the pension roll, so that the good, honest people in every county and in every balliwick may read and see who amongst them is enjoying a pension and may determine whether or not the man enjoying a pension deserves it, whether he is living or whether he is dead, and whether somebody else is drawing it in his name. Any one of those three things may occur.

Mr. President, I have said nearly all of this with a view to getting the attention of the Senator from North Dakota.

Mr. McCUMBER. Every word of which I heard.

Mr. WILLIAMS. But I saw that the *deus ex machina* upon the other side of the Chamber had his attention during the greater part of my remarks.

To recall the Senator from North Dakota to the point, I do not think that the Senator from North Dakota will contend for one moment that the people of the United States do not desire public knowledge concerning this, as concerning all other governmental and administrative affairs; but I tried to reinforce my own weak voice by reference to the present Republican President and a Republican ex-President of the United States. We have learned lately from those who are insurging upon the other side that the greatest thing that any people can have in connection with anything, the management of corporations and everything else, is publicity. It is spelled with a great big "P," and



it is pronounced with the accent upon the first syllable; and all I want is publicity concerning the pension list, so that the good, honest people—and as a rule most of the people, a majority of the people, are honest—shall have knowledge of who in their bailiwick is drawing a pension; and, take my word for it, that if there are any dishonorable names upon the pension list, that are tainting this roll of honor by their presence, the people, having the honor of the Nation at stake and dear to their hearts, will soon make some sort of communications to the proper authorities which will stop the dishonor and may incidentally also stop a part of the expense.

I hope that the chairman of the committee in charge of this bill will not object to the amendment which I have offered.

Mr. McCUMBER. Mr. President, the assumption that calls for this amendment is that there is fraud and dishonor in pension legislation and in the pension roll. I do not believe there is any fraud that has not been ferreted out. I do not believe that the public believes there is any considerable fraud in the matter of granting or receiving pensions. I do not believe that the public cares a continental about reading the names of the soldiers who are drawing pensions. The public knows that we vote so much money for pensions; that there are so many thousand soldiers yet living, and that they are dying at a certain rate. I think that is all the public cares about knowing, and I am not in favor of publishing this matter, but if anyone wants to get the list for his own particular county he can do so under section 4 of the pending substitute.

Mr. WILLIAMS. Mr. President, I know the Senator from North Dakota so well that I know he did not intend to misrepresent me as saying that the pension roll was a roll of fraud or that pension legislation was fraudulent. I said, and said so distinctly that I think no human being could have misunderstood me, that we wanted to prevent a roll of honor from being tainted by individual cases of dishonor.

Now, the Senator says that there is no considerable fraud. I know of no more indefinite word in the English language than the adjective "considerable"; but if there be any individual cases of fraud, whether considerable or inconsiderable, if they exist I have sufficient confidence in the sense of honor of the American people to believe that they want to know it; they want to detect it; they want it removed; and they want it removed in the name of the honor of the men upon the pension roll who have a right to be there.

The VICE PRESIDENT. The Senator from Mississippi [Mr. WILLIAMS] has asked for the yeas and nays on his amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BACON (when his name was called). I again announce my pair with the senior Senator from Minnesota [Mr. NELSON], and withhold my vote.

Mr. BRADLEY (when his name was called). I again announce my pair and withhold my vote.

Mr. BURNHAM (when his name was called). I again announce my pair.

Mr. DILLINGHAM (when his name was called). I withhold my vote because of my pair already announced.

Mr. BURNHAM (when Mr. GALLINGER's name was called). I make the same statement as before with reference to my colleague [Mr. GALLINGER] and his pair.

Mr. GAMBLE (when his name was called). On account of a pair already announced, I withhold my vote.

Mr. HEYBURN. Because of the pair already announced, I withhold my vote.

The roll call was concluded.

Mr. CURTIS. I am requested to announce that the Senator from Colorado [Mr. GUGGENHEIM] is paired with the Senator from Kentucky [Mr. PAYNTER].

The result was announced—yeas 26, nays 37; as follows:

## YEAS—26.

Bourne	Gore	Owen	Swanson
Bryan	Johnston, Ala.	Percy	Thornton
Chilton	Lea	Rayner	Watson
Culberson	Lodge	Root	Wetmore
du Pont	Myers	Simmons	Williams
Fletcher	Newlands	Smith, Ga.	
Foster	Overman	Smith, S. C.	

## NAYS—37.

Borah	Cummins	McCumber	Richardson
Brandagee	Curtis	Martine, N. J.	Smith, Mich.
Briggs	Gronna	Nixon	Smoot
Bristow	Hitchcock	O'Gorman	Stephenson
Brown	Johnson, Me.	Oliver	Sutherland
Burton	Jones	Page	Townsend
Chamberlain	Kenyon	Penrose	Works
Clapp	Kern	Perkins	
Clark, Wyo.	La Follette	Poin Dexter	
Crane	Lorimer	Pomerene	

## NOT VOTING—28.

Bacon	Cullom	Guggenheim	Reed
Bailey	Davis	Heyburn	Shively
Bankhead	Dillingham	Lippitt	Smith, Md.
Bradley	Dixon	McLean	Stone
Burnham	Gallinger	Martin, Va.	Taylor
Clarke, Ark.	Gamble	Nelson	Tillman
Crawford	Gardner	Paynter	Warren

So the amendment of Mr. WILLIAMS was rejected.

Mr. JONES. Mr. President, I desire to offer as a new section the amendment I proposed a moment ago, limited, however, so as to include only those widows who have remained such since the death of the men whose wives they were during the war.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. It is proposed to add the following as a new section at the end of the bill:

SEC. 5. That every widow who is now receiving or may hereafter be entitled to receive a pension of less than \$24 per month by reason of the Civil War shall, upon due proof that she was the wife of a soldier at any time during the war, and that she has not been married since the death of such soldier, be entitled to a pension of \$24 per month, the same to begin from the date of filing her application under the provisions of this act.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Washington.

By the sound the "noes" have it.

Mr. JONES. I ask for a division.

The amendment was rejected; there being, on a division—ayes 23, noes 31.

Mr. LEA. I offer an amendment to come in as the last clause of the bill.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. At the end of the bill it is proposed to add the following:

And that no person shall receive a pension under this act who is or shall be in receipt of an income of \$2,400 per year.

Mr. LEA. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BRADLEY (when his name was called). I again announce my pair, and refrain from voting.

Mr. BURNHAM (when his name was called). I make the same statement with reference to my pair as before, and withhold my vote.

Mr. DILLINGHAM (when his name was called). I withhold my vote for the reason already announced.

Mr. BURNHAM (when Mr. GALLINGER's name was called). I make the same statement as before with reference to my colleague [Mr. GALLINGER].

Mr. HEYBURN (when his name was called). For the reason already announced, I withhold my vote.

The roll call was concluded.

Mr. BACON. I again announce my pair with the senior Senator from Minnesota [Mr. NELSON] and withhold my vote.

The result was announced—yeas 34, nays 32, as follows:

## YEAS—34.

Borah	Foster	Myers	Simmons
Bourne	Gardner	Newlands	Smith, Ga.
Bryan	Hitchcock	O'Gorman	Smith, S. C.
Chamberlain	Johnston, Ala.	Overman	Swanson
Chilton	Jones	Owen	Thornton
Crawford	Kern	Percy	Watson
Culberson	La Follette	Perkins	Williams
du Pont	Lea	Pomerene	
Fletcher	Martine, N. J.	Rayner	

## NAYS—32.

Brandagee	Cummins	McLean	Shively
Briggs	Curtis	Nixon	Smith, Mich.
Bristow	Gronna	Oliver	Smoot
Brown	Johnson, Me.	Page	Stephenson
Burton	Kenyon	Penrose	Sutherland
Clapp	Lodge	Poin Dexter	Townsend
Clark, Wyo.	Lorimer	Richardson	Wetmore
Crane	McCumber	Root	Works

## NOT VOTING—25.

Bacon	Davis	Heyburn	Stone
Bailey	Dillingham	Lippitt	Taylor
Bankhead	Dixon	Martin, Va.	Tillman
Bradley	Gallinger	Nelson	Warren
Burnham	Gamble	Paynter	
Clarke, Ark.	Gore	Reed	
Cullom	Guggenheim	Smith, Md.	

So Mr. LEA's amendment was agreed to.

The VICE PRESIDENT. The question now is on agreeing to the substitute offered by the committee as amended.

Mr. CULBERSON. Mr. President, I simply desire to state, in order that my vote may not be misapprehended, that I am opposed to both the McCumber bill and the Sherwood bill. I will vote "nay" on this roll call, not because I favor the Sherwood bill, but because I am opposed to both.

Mr. CLARK of Wyoming. Mr. President, I have a general pair, as announced, with the Senator from Missouri [Mr. STONE], who asks that I make this statement:

On the final vote I wish you would say for me this: "The Senator from Missouri requests me to say that, taken as a whole and as reported, he does not favor either the House bill or the bill reported by the Senate committee."

Mr. RAYNER. Mr. President, I desire to announce that I will vote against both the bills for the same reasons that have just been given.

Mr. MARTINE of New Jersey. Mr. President, I desire to announce that I shall vote against the McCumber bill for the reason that I want to vote for the Sherwood bill, and I shall vote for it if the opportunity is presented.

Mr. OVERMAN. Mr. President, it is only fair that I should say that having stated I would vote for the McCumber amendment to the Sherwood bill, since it has been amended by the amendment of the Senator from Nebraska [Mr. BROWN] and is so vague and will require so much additional appropriation that we do not understand, I shall vote "nay" against that amendment.

The VICE PRESIDENT. The question is on agreeing to the substitute of the committee as amended.

Mr. CURTIS. Have not the yeas and nays been ordered on it?

The VICE PRESIDENT. The Chair does not understand that the yeas and nays have been ordered upon the amendment, but that they were ordered upon the passage of the bill.

Mr. CULBERSON. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BACON (when his name was called). I have a pair on this bill with the senior Senator from Minnesota [Mr. NELSON], and by his instructions I announce that, if present, he would vote "yea." If he were present and I were at liberty to vote I would vote "nay."

Mr. BRADLEY (when his name was called). I again announce my pair with the senior Senator from Tennessee [Mr. TAYLOR], and will refrain from voting.

Mr. BURNHAM (when his name was called). I make the same announcement that I have made heretofore, that I am paired with the Senator from Maryland [Mr. SMITH].

Mr. DILLINGHAM (when his name was called). I am informed by the Senator from South Carolina [Mr. TILLMAN] that he is in favor of this amendment to the bill, and therefore I feel authorized to vote. I vote "yea."

Mr. CLAPP (when Mr. DIXON's name was called). The senior Senator from Montana [Mr. DIXON] is paired with the junior Senator from Texas [Mr. BAILEY]. If the senior Senator from Montana were present and at liberty to vote he would vote "yea."

Mr. BURNHAM (when Mr. GALLINGER's name was called). My colleague, the senior Senator from New Hampshire [Mr. GALLINGER], is necessarily absent. He is paired, as I have stated, with the senior Senator from Arkansas [Mr. CLARKE]. If my colleague were present, he would vote "yea."

Mr. GAMBLE (when his name was called). As I have stated, I have a general pair with the junior Senator from Arkansas [Mr. DAVIS], and therefore withhold my vote. If I were at liberty to vote, I would vote "yea."

Mr. HEYBURN (when his name was called). I am not advised as to how the Senator from Alabama [Mr. BANKHEAD] would vote if he were present. I am paired with that Senator, and will therefore withhold my vote.

Mr. LORIMER (when his name was called). I wish to announce the pair of my colleague [Mr. CULLOM] with the senior Senator from Virginia [Mr. MARTIN]. If my colleague were present and permitted to vote, he would vote "yea."

Mr. SMITH of Michigan (when his name was called). I am paired with the Senator from Missouri [Mr. REED]. I transfer that pair to the Senator from Rhode Island [Mr. LIPPITT], and vote "yea."

Mr. WATSON (when his name was called). I wish to announce my pair with the junior Senator from Wyoming [Mr. WARREN]. If he were present, he would vote "yea." If I were at liberty to vote, I would vote "nay."

The roll call having been concluded, the result was announced—yeas 44, nays 21, as follows:

## YEAS—44.

Borah	Burton	Dillingham	Lodge
Bourne	Chamberlain	du Pont	Lorimer
Brandegee	Clapp	Fletcher	McCumber
Briggs	Crane	Gronna	McLean
Bristow	Crawford	Jones	Myers
Brown	Cummins	Kenyon	Newlands
Bryan	Curtis	La Follette	Nixon

O'Gorman  
Oliver  
Page  
Penrose

Perkins  
Poindexter  
Pomerene  
Richardson

Root  
Smith, Mich.  
Smoot  
Stephenson

Sutherland  
Townsend  
Wetmore  
Works

## NAYS—21.

Chilton  
Culberson  
Foster  
Gardner  
Hitchcock  
Johnson, Me.

Johnston, Ala.  
Kern  
Lea  
Martine, N. J.  
Overman  
Owen

Percy  
Rayner  
Shively  
Simmons  
Smith, Ga.  
Smith, S. C.

Swanson  
Thornton  
Williams

## NOT VOTING—26.

Bacon  
Bailey  
Bankhead  
Bradley  
Burnham  
Clark, Wyo.  
Clarke, Ark.

Cullom  
Davis  
Dixon  
Gallinger  
Gamble  
Gore  
Guggenheim

Heyburn  
Lippitt  
Martin, Va.  
Nelson  
Paynter  
Reed  
Smith, Md.

Stone,  
Taylor  
Tillman  
Warren  
Watson

So the committee amendment as amended was agreed to.

The VICE PRESIDENT. If there be no further amendment as in Committee of the Whole, the bill will be reported to the Senate.

The bill was reported to the Senate as amended.

The VICE PRESIDENT. The question is on concurring in the amendments made as in Committee of the Whole.

Mr. McCUMBER. I wish to reserve that section which was offered by the Senator from Nebraska [Mr. BROWN] and adopted, for the purpose of changing the phraseology in one respect, and I think the Senator from Nebraska will agree with me. I can only state the lines as they appear in the original bill, and the clerks can find it.

The VICE PRESIDENT. The Senator from North Dakota asks for a separate vote on the so-called Brown amendment. Is a separate vote asked on any other amendments? If not, the question is on concurring in the amendments other than the Brown amendment.

The amendments were concurred in.

The VICE PRESIDENT. The question now is upon concurring in the Brown amendment.

Mr. McCUMBER. I ask to amend that by striking out the words where they appear in line 14 of the original bill "through causes not due to his own vicious habits" and inserting in lieu thereof "by reason thereof," so that the section will then read:

That any person who served in the military or naval service of the United States during the Civil War and received an honorable discharge, and who was wounded in battle or in line of duty and is now unfit for manual labor by reason thereof, or who from disease, etc.

That makes the two portions of the sections the same. I think it was certainly an error that it passed the House in that shape, because if there was as much as a scratch it would be a wound, and although no disability would flow from it, the soldier would be entitled, because of ever so slight a wound, to receive \$30 a month. It might have nothing to do with the matter of his inability to perform manual labor. I hope there will be no objection to this amendment to the amendment, because the next portion reads:

Or who, from disease or other causes incurred in line of duty, resulting in his disability—

You see in that case it must result in his disability—

is now unable to perform manual labor, shall be paid, etc.

We want both sections to mean that if the wound or the disease resulted in his inability to perform manual labor, then he should receive the higher amount.

Mr. BROWN. Mr. President, I do not think the change suggested by the Senator is in fact very material, but at the same time I do not feel like accepting the suggestion for the sole reason that if the change is made it throws the section into conference. The section as passed and adopted by the Senate is the section as passed and adopted by the House, and it will not be subject to the vicissitudes of a conference committee if left in the shape it is in now.

The VICE PRESIDENT. The Chair might suggest to the Senator that, the entire House bill having been stricken out, the whole matter would be in conference, if it goes to conference.

Mr. LODGE. The whole matter would be in conference. It does not protect it in the least.

Mr. BROWN. I may be wrong about it, but I have an impression that there is some advantage in having adopted as a separate section a provision which the House adopted and which is entirely independent of the other provisions of the bill. I really am of opinion that the change suggested does not in fact change the substance or meaning of the provision, and if it does not have the effect to injure it in conference I will not resist it. Senators wiser than I as to the effect and who have had more extensive experiences in conferences may be correct about it, and if it is their judgment that it will all be in



conference anyhow, the Senate can pass it, but personally I do not care to take the responsibility of accepting the suggestion.

Mr. BACON. Mr. President, I do not like to differ from so distinguished an authority as the Senator from Massachusetts [Mr. LODGE], especially under the suggestion of the Chair, but if there is a rule which I think is ironclad it is that where the two Houses agree in any one thing, without any change or difference whatever, it can not be interfered with by a conference committee; and the fact that for convenience a general course has been taken to run a line through and rewrite the bill, so as to make it more convenient than to offer separate amendments for each part, does not change in any particular that fact. If that were the case, Mr. President, all we would have to do whenever a bill came from another House to which there would be one amendment to be offered would be to rewrite the whole bill, except as to that one amendment, and make the change as to that one amendment and then say the whole bill will be agreed to by the second House in every particular except that one amendment; and the claim that, although thus agreed to, the entire bill was open to the action of the conferees, I do not think can possibly be sustained.

Mr. BROWN. Not only that, Mr. President, but if the position be correct that it is all in conference, there is no need of having this change made.

The VICE PRESIDENT. The question now is, Will the Senate concur in the recommendation of the Committee of the Whole?

Mr. LODGE. Then it is open to amendment, subsequently?

The VICE PRESIDENT. It is.

The amendment was concurred in.

The VICE PRESIDENT. Now, the Senator from North Dakota offers in the Senate an amendment, which will be stated.

The SECRETARY. After the words "manual labor" in the amendment strike out the words "through causes not due to his own vicious habits," and in lieu insert the words "by reason thereof."

The amendment was agreed to.

Mr. BACON. I desire to ask the Senator from North Dakota if he does not intend to go further and reach the point in the amendment which strikes out all limitation as to time, or whether the Senator desires to have that Brown amendment, as we call it, adopted in the particular that no limitation of time is placed upon the length of service.

Mr. LODGE. The whole Brown amendment is now certainly open, since there has been a change in it.

Mr. BACON. Undoubtedly; but the Senator from North Dakota in charge of the bill has pointed out to the Senate one amendment that he thought ought to be made to the Brown amendment. I want to know from the Senator from North Dakota whether he acquiesces in a further change which would strike out altogether the limitation of time in designating the length of service.

Mr. McCUMBER. Under the present law it makes no difference how long a man served if he were wounded so as to obtain a pensionable status. I did not draft this provision. I did not put it in on my own vote. It has been placed in here, and it makes no limitation. I am not seeking to do anything further than to make it conform to what I think was intended.

Mr. BACON. I desire to call the attention of the Senator to the fact that as I understand the Brown amendment it not only reaches the cases of soldiers who were wounded, but it goes further, extending to the cases of soldiers who were disabled by reason of any disease contracted; and it removes all limitation of time in both cases, both in the case of disease as well as in the case of wounds. I wish to know whether the Senator from North Dakota intends to give his acquiescence to the removal of the limitation of time which is found in the McCumber amendment, as we called it?

Mr. McCUMBER. It is but perfectly fair to say that I oppose personally the whole proposition and each and every section of it, and I necessarily oppose that which will be without regard to the length of service; but as the Senate passed it with that in, I simply acquiesced in that which the Senate wanted to do. I thought by calling to the attention of the Senate what was really an error, and not what the Senate intended, I could get them to agree with me about it. But the Senate fully understood what the other meant without any possible question, and they voted to put it in.

Mr. BACON. I do not think there is any doubt about the fact that the Senate understood the whole thing, but the point that struck my attention was this: The Senator from North Dakota undoubtedly voted against the Brown amendment. Now, when it comes to the Senate he points out a certain change which he desires made, and he does not say anything about the change of that feature of the Brown amendment which strikes

out the limitation in time. I desire to know whether the Senator from North Dakota acquiesces in that case, or whether he desires to have the Senate again restore the limitation of time.

Mr. McCUMBER. I simply acquiesce in it because the Senate, after full consideration on a yeas-and-nays vote, declared by a majority of 2, I think, that they wanted it in. Therefore I was compelled to acquiesce, and I assumed that the Senate would vote the same way again.

Mr. BACON. The Senate did the same thing as to the feature in the Brown amendment which has been changed at the instance of the Senator from North Dakota.

Mr. McCUMBER. But I do not think they fully understood what the other feature was. I do think that the Senate fully understood what the last feature was, because it was very clear.

Mr. BACON. There has been nothing in the way of discussion which indicated that the Senate was at all in doubt as to the particular feature which the Senator from North Dakota has since succeeded in having amended. There was certainly no expression on the floor of the Senate.

Mr. McCUMBER. I assume that any Senator can now move to strike out those words.

The VICE PRESIDENT. If there be no further amendments the question is on the engrossment of the amendment as amended.

Mr. OVERMAN. I ask for the yeas and nays.

The VICE PRESIDENT. The yeas and nays have been ordered on the passage of the bill.

Mr. OVERMAN. Very well.

Mr. WILLIAMS. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Mississippi will state it.

Mr. WILLIAMS. I do not know that I caught it all, but I understand that the amendment to the Brown amendment offered by the Senator from North Dakota has been passed. Has the Brown amendment as amended been submitted to the Senate?

The VICE PRESIDENT. The Brown amendment was concurred in. The question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The VICE PRESIDENT. The question is, Shall the bill pass? upon which the yeas and nays have been ordered.

The Secretary proceeded to call the roll.

Mr. BACON (when his name was called). As I previously announced, I have a pair on this particular bill, as well as a general pair, with the Senator from Minnesota [Mr. NELSON]. By his authority, I now state that if he were present he would vote "yea." If he were present and I were at liberty to vote, I should vote "nay."

Mr. BURNHAM (when his name was called). On this question I announce that I am paired with the Senator from Maryland [Mr. SMITH]. If permitted to vote, I should vote "yea."

Mr. LORIMER (when Mr. CULLOM's name was called). I wish to again announce the pair of my colleague [Mr. CULLOM] with the Senator from Virginia [Mr. MARTIN], and to state that if my colleague were present and at liberty to vote, he would vote "yea."

Mr. DILLINGHAM (when his name was called). I again announce my pair with the senior Senator from South Carolina [Mr. TILLMAN], and that I feel authorized under a telegram from him to vote. I vote "yea."

Mr. CLAPP (when Mr. DIXON's name was called). I desire to announce the pair of the senior Senator from Montana [Mr. DIXON] with the junior Senator from Texas [Mr. BAILEY]. If the senior Senator from Montana were present and authorized to vote, he would vote "yea."

Mr. BURNHAM (when Mr. GALLINGER's name was called). I make the same statement I did before with reference to the necessary absence of my colleague [Mr. GALLINGER] and his pair with the Senator from Arkansas [Mr. CLARKE]. If my colleague were present and voting, he would vote "yea."

Mr. GAMBLE (when his name was called). I again announce my pair with the junior Senator from Arkansas [Mr. DAVIS] and withhold my vote. If I were at liberty to vote, I would vote "yea."

Mr. HEYBURN (when his name was called). I have a pair with the Senator from Alabama [Mr. BANKHEAD]. If he were present I am advised that he would vote "nay," and was I at liberty to vote I would vote "yea."

Mr. SWANSON (when the name of Mr. MARTIN of Virginia was called). I desire to announce that my colleague [Mr. MARTIN] is detained from the Senate and is paired with the

senior Senator from Illinois [Mr. CULLOM]. If my colleague were present, he would vote "nay."

The roll call was concluded.

Mr. CURTIS. I am requested to announce that the Senator from Colorado [Mr. GUGGENHEIM] is paired with the Senator from Kentucky [Mr. PAYNTER].

Mr. BRADLEY. I again announce my pair with the senior Senator from Tennessee [Mr. TAYLOR].

The result was announced—yeas 51, nays 16, as follows:

## YEAS—51.

Borah	Cummins	McCumber	Richardson
Bourne	Curtis	McLean	Root
Brandeggee	Dillingham	Martine, N. J.	Shively
Briggs	du Pont	Myers	Smith, Mich.
Bristow	Gardner	Newlands	Smoot
Brown	Gronna	Nixon	Stephenson
Burton	Hitchcock	O'Gorman	Sutherland
Chamberlain	Johnson, Me.	Oliver	Townsend
Chilton	Kenyon	Page	Warren
Clapp	Kern	Penrose	Watson
Clark, Wyo.	La Follette	Perkins	Wetmore
Crane	Lodge	Poinexter	Works
Crawford	Lorimer	Pomerene	

## NAYS—16.

Bryan	Johnston, Ala.	Percy	Smith, S. C.
Culberson	Lea	Rayner	Swanson
Fletcher	Overman	Simmons	Thornton
Foster	Owen	Smith, Ga.	Williams

## NOT VOTING—24.

Bacon	Cullom	Guggenheim	Paynter
Bailey	Davis	Heyburn	Reed
Bankhead	Dixon	Jones	Smith, Md.
Bradley	Gallinger	Lippitt	Stone
Burnham	Gamble	Martin, Va.	Taylor
Clarke, Ark.	Gore	Nelson	Tilman

So the bill was passed.

Mr. SMOOT. I move that the Senate adjourn.

Mr. McCUMBER. Will the Senator withhold that motion for a moment?

Mr. SMOOT. Very well; I withhold the motion.

Mr. McCUMBER. I ask that the bill be printed as amended.

The VICE PRESIDENT. Without objection, an order therefor will be entered.

## ADJOURNMENT TO MONDAY.

Mr. McCUMBER. I now move that when the Senate adjourns to-day it adjourn to meet on Monday next.

Mr. SMOOT. Mr. President—

Mr. LODGE. The motion is not debatable.

Mr. SMOOT. I simply want to say that I think the calendar ought to be taken up to-morrow.

Mr. PENROSE. It can be taken up next week.

Mr. McCUMBER. We have had a hard day.

The VICE PRESIDENT. The question is on the motion of the Senator from North Dakota [Mr. McCUMBER] that when the Senate adjourns to-day it adjourn to meet on Monday next.

The motion was agreed to.

## MOTOR AND OTHER VEHICLES IN GOVERNMENT SERVICE (S. DOC. NO. 477).

The VICE PRESIDENT laid before the Senate a communication from the Attorney General, transmitting, in response to a resolution of the 25th instant, certain information relative to the number of carriages, vehicles, etc., now owned by the Government, or maintained at Government expense and used by that department, etc., which was referred to the Committee on Appropriations and ordered to be printed.

## THE CONGRESSIONAL RECORD.

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the concurrent resolution of the Senate (S. Con. Res. 14) authorizing the Librarian of Congress to furnish a copy of the daily and bound CONGRESSIONAL RECORD to the undersecretary of state for external affairs of Canada.

Mr. SMOOT. I move that the concurrent resolution and amendment be referred to the Committee on Printing.

The motion was agreed to.

## PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented a concurrent resolution adopted by the Legislature of the State of New York, which was referred to the Committee on Forest Reservations and the Protection of Game and ordered to be printed in the Record, as follows:

STATE OF NEW YORK,  
Office of the Secretary of State.

Pursuant to the direction therein contained, I have the honor to transmit herewith the following concurrent resolution of the Senate and Assembly of the State of New York, adopted March 4, 1912:

STATE OF NEW YORK (IN SENATE),  
Albany, March 4, 1912.

Whereas there have been introduced in Congress three bills (Nos. H. R. 36, H. R. 4428, S. 2367) to afford Federal protection to migratory game birds; and

Whereas there is a very general sentiment in this State in favor of such protection, and an urgent request for the enactment of such a law has been made, as appears by numerous petitions received: Now therefore

*Resolved (if the assembly concur),* That Congress be, and hereby is, requested to enact a law giving ample protection to migratory game birds;

*Resolved,* That the legislatures of all other States of the United States, now in session or when next convened, be, and they hereby are, respectfully requested to join in this request by the adoption of this or any equivalent resolution;

*Resolved further,* That the secretary of state be, and he hereby is, directed to transmit copies of this resolution to the Senate and House of Representatives of the United States, and to the several Members of said body representing this State therein; also to transmit copies hereof to the legislatures of all other States of the United States.

By order of the senate.

PATRICK E. MCCABE, Clerk.

IN ASSEMBLY,  
March 4, 1912.

Concurred in without amendment.

By order of the assembly.

FRED W. HAMMOND, Clerk.

STATE OF NEW YORK (IN SENATE),  
March 4, 1912.

The foregoing resolution was duly passed, a majority of all senators elected voting in favor thereof.

By order of the senate.

T. F. CONWAY, President.

STATE OF NEW YORK (IN ASSEMBLY),  
March 4, 1912.

The foregoing resolution was duly passed, a majority of all the members elected to the assembly voting in favor thereof.

By order of the assembly.

E. A. MERRITT, Jr., Speaker.

In witness whereof, I have hereunto set my hand and the seal of office of the secretary of state, at the city of Albany, this 25th day of March, 1912.

[SEAL.]

EDWARD LAZANSKY, Secretary of State.

The VICE PRESIDENT presented a resolution adopted by Denver Brown Camp, No. 20, United Spanish War Veterans, Department of Indiana, of Richmond, Ind., expressing their thanks to all who gave assistance in the raising of the battleship *Maine*, etc., which was referred to the Committee on Naval Affairs.

He also presented a memorial of the Central Labor Union of Portsmouth, N. H., remonstrating against the employment of enlisted men on Government vessels lying in Portsmouth Harbor, N. H., in the performance of work which heretofore devolved upon civilian employees, which was referred to the Committee on Naval Affairs.

He also presented petitions of the congregations of the Methodist Episcopal Church, the Methodist and Baptist Churches of Piedmont, Ala.; the Evangelical Lutheran Church of Mohrsville, Pa.; and the Presbyterian and Methodist Churches of Big Sandy; of the Woman's Christian Temperance Unions of Union City, Oreg., Athens, La., Orofino, Idaho, Tennessee City, Tenn., Winnebago, Minn., and Big Sandy, Tenn.; and of sundry citizens of Union City, Oreg., praying for the adoption of an amendment to the Constitution prohibiting the manufacture, sale, and importation of intoxicating liquors, which were referred to the Committee on the Judiciary.

He also presented a petition of the legal representatives of the Pokagon Tribe of Pottawattamie Indians, of Michigan and Indiana, praying that protection be granted them as guaranteed in the Greenville peace treaty of August 3, 1795, which was referred to the Committee on Indian Affairs.

Mr. SIMMONS presented a memorial of sundry citizens of Gibsonville, N. C., remonstrating against the extension of the parcel-post system beyond its present limitations, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of members of the Ministerial Union of Winston Salem, N. C., and a petition of sundry citizens of Rutherford, N. C., praying for the enactment of an interstate liquor law to prevent the nullification of State liquor laws by outside dealers, which were referred to the Committee on the Judiciary.

Mr. SHIVELY presented a petition of Local Union No. 51, International Union of Steam Engineers, of Indianapolis, Ind., praying for the enactment of legislation providing for the construction of one of the proposed new battleships in the Brooklyn Navy Yard, which was referred to the Committee on Naval Affairs.

He also presented a petition of Harry O. Perkins Camp, No. 25, Department of Indiana, United Spanish War Veterans, of South Bend, Ind., praying for the enactment of legislation to pension the widow and minor children of any officer or enlisted man who served in the War with Spain or the Philippine insurrection, which was referred to the Committee on Pensions.



Mr. BROWN presented memorials of sundry citizens of Gering and Bayard, in the State of Nebraska, remonstrating against any reduction of the duty on sugar, which were referred to the Committee on Finance.

He also presented petitions of sundry citizens of Amherst, Potter, and Beatrice, all in the State of Nebraska, praying for the adoption of certain amendments to the oleomargarine law, which were referred to the Committee on Agriculture and Forestry.

Mr. POINDEXTER presented petitions of the Woman's Christian Temperance Union of Spokane, and of sundry citizens of Spokane and Olympia, all in the State of Washington, praying for the enactment of an interstate liquor law to prevent the nullification of State liquor laws by outside dealers, which were referred to the Committee on the Judiciary.

He also presented a memorial of sundry citizens of La Crosse, Wash., remonstrating against the extension of the parcel-post system beyond its present limitations, which was referred to the Committee on Post Offices and Post Roads.

He also presented a petition of sundry citizens of Tacoma, Wash., praying for the passage of the so-called eight-hour bill, which was referred to the Committee on Education and Labor.

Mr. O'GORMAN presented a concurrent resolution adopted by the Legislature of the State of New York relative to the enactment of legislation giving ample protection to migratory game birds, which was referred to the Committee on Forest Reservations and the Protection of Game.

#### THE CONGRESSIONAL RECORD AND PARLIAMENTARY HANSARD.

Mr. SMOOT. From the Committee on Printing, I report a joint resolution and ask unanimous consent for its present consideration.

The joint resolution (S. J. Res. 93) authorizing the Librarian of Congress to furnish a copy of the daily and bound CONGRESSIONAL RECORD to the undersecretary of state for external affairs of Canada, in exchange for a copy of the Parliamentary Hansard, was read the first time by its title and the second time at length, as follows:

*Resolved, etc.*, That the Librarian of Congress is hereby authorized to furnish a copy of the daily and bound CONGRESSIONAL RECORD to the undersecretary of state for external affairs of Canada in exchange for a copy of the Parliamentary Hansard, and that the Public Printer is hereby directed to honor the requisition of the Librarian of Congress for such copy. The Parliamentary Hansard so received shall be the property of the Department of State.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

#### BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SIMMONS:

A bill (S. 6073) for the erection of a monument to Gen. James Moore upon Moores Creek battleground, North Carolina; to the Committee on the Library.

A bill (S. 6074) granting an increase of pension to Jane Allen;

A bill (S. 6075) granting an increase of pension to William E. Henry (with accompanying paper); and

A bill (S. 6076) granting an increase of pension to Rachel Hagan (with accompanying papers); to the Committee on Pensions.

By Mr. FLETCHER:

A bill (S. 6077) granting an increase of pension to Mary C. Riley (with accompanying papers); to the Committee on Pensions.

By Mr. OWEN:

A bill (S. 6078) amending the act entitled "An act to provide for the sale of the surface of the segregated coal and asphalt lands of the Choctaw and Chickasaw Nations, and for other purposes," approved February 19, 1912; to the Committee on Indian Affairs.

By Mr. CRANE:

A bill (S. 6079) granting an increase of pension to Catherine J. Orr; to the Committee on Pensions.

By Mr. O'GORMAN:

A bill (S. 6080) for the relief of certain retired officers of the Navy and Marine Corps; to the Committee on Naval Affairs.

By Mr. POMERENE:

A bill (S. 6081) granting an increase of pension to Edward S. Bragg; to the Committee on Pensions.

By Mr. PENROSE:

A bill (S. 6082) granting an honorable discharge to George M. Bryan; to the Committee on Military Affairs.

By Mr. BRADLEY:

A bill (S. 6083) granting an increase of pension to Edward Murphy (with accompanying paper); to the Committee on Pensions.

#### AMENDMENTS TO RIVER AND HARBOR BILL (H. R. 21477).

Mr. FLETCHER submitted an amendment providing for a survey of the Withlacoochee River, Fla., between Stokes Ferry and Panasoffkee, etc., intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

Mr. O'GORMAN submitted an amendment relative to the improvement of Jamaica Bay and entrance thereto, New York, etc., intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

He also submitted an amendment relative to the amount of material excavated by the city of New York in dredging the main interior channel in Jamaica Bay, etc., intended to be proposed by him to the river and harbor appropriation bill, which was referred to the Committee on Commerce and ordered to be printed.

#### AMENDMENTS TO APPROPRIATION BILLS.

Mr. CRAWFORD submitted an amendment proposing to appropriate \$50,000 for survey and listing of lands within forest reserves chiefly valuable for agriculture, etc., intended to be proposed by him to the agricultural appropriation bill (H. R. 18960), which was referred to the Committee on Agriculture and Forestry and ordered to be printed.

Mr. BROWN (for Mr. DIXON) submitted an amendment proposing to appropriate \$30,000 for a survey of land on the Fort Belknap Indian Reservation, Mont., etc., intended to be proposed by him to the Indian appropriation bill (H. R. 20728), which was referred to the Committee on Indian Affairs and ordered to be printed.

Mr. OWEN submitted an amendment proposing that the fund of \$390,257.92 placed to the credit of the Choctaw Indians by act of March 1, 1907, shall draw interest at 5 per cent, to be placed to their credit, etc., intended to be proposed by him to the Indian appropriation bill (H. R. 20728), which was referred to the Committee on Indian Affairs and ordered to be printed.

He also submitted an amendment providing that the restrictions on the right of alienation or encumbrance of allotments in the Cherokee Nation be removed, save and except only the restricted homesteads of the allottees now occupied by them, intended to be proposed by him to the Indian appropriation bill, which was referred to the Committee on Indian Affairs and ordered to be printed.

He also submitted an amendment proposing to appropriate \$35,000 for the construction of a sanitary sewer system in Platt National Park, Okla., intended to be proposed by him to the Indian appropriation bill (H. R. 20728), which was referred to the Committee on Indian Affairs and ordered to be printed.

#### SENATORS FROM ARIZONA.

Mr. SHIVELY submitted the following resolution (S. Res. 270), which was referred to the Committee on Privileges and Elections:

*Resolved*, That the Senate now proceed to ascertain the classes to which the Senators from the State of Arizona shall be assigned in conformity with the resolution of the 14th of May, 1789, and as the Constitution requires.

*Ordered*, That the Secretary put into the ballot box two papers of equal size, one of which shall be numbered 1 and the other shall be a blank. Each of the Senators from the State of Arizona shall draw out one paper, and the Senator who shall draw the paper numbered 1 shall be assigned to the class of Senators whose term of service will expire the 3d day of March, 1917.

That the Secretary then put into the ballot box two papers of equal size, one of which shall be numbered 2 and the other shall be numbered 3. The other Senator shall draw out one paper. If the paper drawn be numbered 2, the Senator shall be assigned to the class of Senators whose term of service will expire the 3d day of March, 1913, and if the paper drawn be numbered 3 the Senator shall be assigned to the class of Senators whose term of service will expire the 3d day of March, 1915.

#### GENERAL ARBITRATION TREATIES.

Mr. LODGE. I ask that the treaties of general arbitration between the United States and Great Britain and France, as ratified by the Senate, be printed as a Senate document (S. Doc. No. 476).

The VICE PRESIDENT. Without objection, an order therefor is entered.

## REPORTS OF BUREAU OF ANIMAL INDUSTRY (H. DOC. NO. 686).

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and, with the accompanying paper, referred to the Committee on Agriculture and Forestry and ordered to be printed:

*To the Senate and House of Representatives:*

In compliance with the requirements of section 11 of the act approved May 29, 1884 (23 Stat., 31), providing for the establishment of a Bureau of Animal Industry, I transmit herewith copies of the reports of the operations of said bureau for the fiscal years ended June 30, 1910, and June 30, 1911.

WM. H. TAFT.

THE WHITE HOUSE, March 29, 1912.

## HOUSE BILLS REFERRED.

H. R. 18849. An act for the relief of the Winnebago Indians of Nebraska and Wisconsin was read twice by its title and referred to the Committee on Indian Affairs.

H. R. 19212. An act making appropriations for the Diplomatic and Consular Service for the fiscal year ending June 30, 1913, was read twice by its title and referred to the Committee on Appropriations.

H. R. 20842. An act to provide for a tax upon white-phosphorus matches, and for other purposes, was read twice by its title and referred to the Committee on Finance.

Mr. SMOOT. I move that the Senate adjourn.

The motion was agreed to; and (at 9 o'clock and 10 minutes p. m., Friday, March 29, 1912) the Senate adjourned until Monday, April 1, 1912, at 2 o'clock p. m.

## HOUSE OF REPRESENTATIVES.

FRIDAY, March 29, 1912.

The House met at 12 o'clock noon.

Rev. George Robinson, Chaplain United States Army, retired, offered the following prayer:

O Lord, our Lord, how excellent is Thy name in all the earth, who hast set Thy glory above the heavens. When I consider Thy heavens, the work of Thy fingers, the moon and stars, which Thou hast ordained, what is man that Thou art mindful of him, and the son of man that Thou visitest him? For Thou hast made him a little lower than the angels and hast crowned him with glory and honor. Thou hast made him to have dominion over the work of Thy hand; Thou hast put all things under his feet. We rejoice in the fact, O God, in the high place Thou hast given to us in the order of creation and, although we have marred Thy image and defaced Thy likeness, we rejoice that Thou hast set to work spiritual redemptive forces to bring us back again to that high place. Enable us, O God, in thought, in word, and in deed to cooperate with those spiritual forces in our own souls, for our own sake and for humanity's sake and for the glory of our God. We ask for the Lord Jesus Christ's sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

## VIEWS OF MINORITY ON ABOLISHING COMMERCE COURT.

Mr. SIMS. Mr. Speaker, I ask unanimous consent that the minority of the Committee on Interstate and Foreign Commerce be permitted to present their views on the bill H. R. 19078, and that they be printed with the report of the committee.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that the minority of the Committee on Interstate and Foreign Commerce have permission to file their views and have them printed along with the report of the majority (H. Rept. 472, pt. 2). Is there objection? [After a pause.] The Chair hears none.

MARY CHRISTMILLER.

Mr. LLOYD. Mr. Speaker, I offer the following privileged resolution.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 446 (H. Rept. 473).

*Resolved*, That the Clerk of the House is hereby authorized to pay, out of the contingent fund, to Mary Christmiller, widow of Conrad Christmiller, late a folder of the House, a sum equal to six months of his salary as such employee and an additional amount, not exceeding \$250, for the funeral expenses of said Conrad Christmiller.

The SPEAKER. The question is on the adoption of the resolution.

The question was taken, and the resolution was agreed to.

MABEL E. PERRY.

Mr. LLOYD. Mr. Speaker, I offer the following resolution. The SPEAKER. The Clerk will report the resolution. The Clerk read as follows:

House resolution 447 (H. Rept. 474).

*Resolved*, That the Clerk of the House is hereby authorized to pay, out of the contingent fund, to Mary Perry, widow of A. M. Perry, late a cloakroom man of the House, a sum equal to six months of his salary as such employee and an additional amount, not exceeding \$250, for the funeral expenses of said A. M. Perry.

Mr. LLOYD. Mr. Speaker, I wish to amend the name of the beneficiary and change it from "Mary" to "Mabel E."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amend, line 2, by striking out the word "Mary" and inserting the word and initial "Mabel E."

The question was taken, and the amendment was agreed to.

The resolution as amended was agreed to.

## GOOD ROADS.

Mr. SHACKLEFORD. Mr. Speaker, I ask unanimous consent to address the House for half a minute on the subject of good roads.

The SPEAKER. The gentleman from Missouri asks unanimous consent to address the House for half a minute. Is there objection? [After a pause.] The Chair hears none. [Applause.]

Mr. SHACKLEFORD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD. [Applause.]

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none, and it is so ordered.

Mr. SHACKLEFORD. Mr. Speaker, a great number of bills on the subject of good roads have at one time or another been introduced into Congress. An inspection of these bills disclosed such an infinite variety of proposed plans that any legislation seemed hopeless. With a view to bringing order out of this chaos authors of various bills on the subject held a conference, and after much consideration prepared as their joint product the following bill:

A bill providing that the United States shall in certain cases make compensation for the use of highways for carrying free rural delivery mail.

*Be it enacted, etc.*, That for the purposes of this act certain highways of the several States, the civil subdivisions thereof, and companies incorporated under the laws of the several States are classified as follows:

Class A shall embrace well-graded roads outside of incorporated cities, towns, and villages, of not less than 1 mile in length, upon which the steepest incline shall not exceed 5 per cent wherever practicable, not less than 25 feet wide between the ditches, well drained, with a wagon way or road track not less than 14 feet wide, composed of bituminous macadam, brick, or of macadam not less than 6 inches thick, rolled, bonded, and maintained with a smooth, firm surface, both shoulders and roadway properly constructed and continuously cared for.

Class B shall embrace well-graded roads outside of incorporated cities, towns, and villages, of not less than 1 mile in length, upon which the steepest incline shall not exceed 5 per cent wherever practicable, 25 feet wide between the side ditches, well drained, with a wagon way or road track 16 feet wide, composed of burnt clay, shells, sand-clay, or gravel, not less than 8 inches thick, continuously kept well compacted and with a firm, smooth surface, with roadway well and properly crowned so as to quickly shed water into the side ditches.

Class C shall embrace roads outside of incorporated cities, towns, and villages, of not less than 1 mile in length, upon which the steepest incline shall not exceed 5 per cent wherever practicable, which shall be kept well graded, crowned, and drained to a width of not less than 18 feet, with split log drag or other similar means, so as to be reasonably passable for wheeled vehicles at all times.

SEC. 2. That whenever the United States shall continuously use any highway of any State, or civil subdivision thereof, or of any company incorporated under the laws of any State which fall within classes A, B, or C for the purpose of transporting free rural delivery mail, compensation for such use shall be made at the rates of \$30 per annum per mile for highways of class A, \$20 per annum per mile for highways of class B, and \$10 per annum per mile for highways of class C. The United States shall not pay any other compensation or toll for such use of such highways than that provided for in this section, and shall pay no compensation whatever for the use of any highway not falling within classes A, B, or C.

SEC. 3. That the Director of Roads in the Department of Agriculture shall determine the class, if any, into which any road shall fall, and his determination upon that subject shall be final.

SEC. 4. That the compensation herein provided for shall be paid at the end of each fiscal year by the Treasurer of the United States upon warrants drawn upon him by the Postmaster General to the officers or persons entitled to the custody of the funds of the respective highways entitled to compensation under this act.

SEC. 5. That this act shall go into effect on the 1st day of July, 1913.

Mr. Speaker, those participating in the conference signed the following document:

*To the Committee on Agriculture:*

The undersigned Members, who have introduced bills on the subject of good roads, desiring to secure, as far as possible, harmony and unity of action among the friends of such legislation, have conferred with a view to agreeing upon a bill. After careful consideration we have prepared



and agreed upon the subjoined bill, and requested Mr. SHACKLEFORD to introduce it on behalf of us all. We have further requested Mr. SHACKLEFORD to appear before you and respectfully bespeak for the bill early and favorable consideration.

Very respectfully,

EZEKIEL S. CANDLER, of Mississippi; J. THOMAS HEFLIN, of Alabama; THOS. L. RUBEY, of Missouri; JOHN J. WHITACKER, of Ohio; JOSEPH TAGGART, of Kansas; JOSEPH HOWELL, of Utah; JAMES F. BYRNES, of South Carolina; KENNETH D. MCKELLAR, of Tennessee; E. W. SAUNDERS, of Virginia; WM. B. FRANCIS, of Ohio; RICHARD W. AUSTIN, of Tennessee; SCOTT FERRIS, of Oklahoma; D. R. ANTHONY, Jr., of Kansas; GEO. WHITE, of Ohio; WALTER L. HENSLEY, of Missouri; JAMES M. COX, of Ohio; GEO. A. NEELEY, of Kansas; J. J. RUSSELL, of Missouri; J. H. GORKE, of Ohio; H. D. FLOOD, of Virginia; BURTON L. FRENCH, of Ohio; P. P. CAMPBERRY, of Ohio; C. C. ANDERSON, of Ohio; P. P. CAMPBELL, of Kansas; S. F. PROUTY, of Iowa; W. C. ADAMSON, of Georgia; BIRD MCGUIRE, of Oklahoma; D. W. SHACKLEFORD, of Missouri.

In obedience to this request I have to-day introduced the bill and will at its first meeting appear before the Committee on Agriculture and respectfully ask its consideration.

Those who have participated in the preparation of this bill would not contend that they have presented a perfect measure. They only claim for it that its enactment would be to pass from the realm of discussion to the field of action.

The good-roads movement is in its formative stage. Nobody can foretell what will finally be adopted as standard construction. It is doubtful whether there will ever be any method of road building which will be universal. It is probable that the character of our roads will differ according to the varying conditions of climate and the diversified classes of road material which are available.

One phase of road building which must never be lost sight of is the cost of construction. With unlimited funds it were an easy matter to build a few miles of model road. It is quite another thing to supply the whole country with a system of good roads at a cost which shall not be ruinous to taxpayers. No matter how, or where, or by whom roads shall be constructed, in the end the taxpayers will have to foot the bills. They will be fortunate indeed if the enthusiasm for good roads which now pervades the country shall not lead to much extravagant and improvident expenditure of money. A system of expensive road building might become so oppressive that it would have to be abandoned, and then retrogression rather than progress would be the result.

If the United States should pay for the use of roads coming up to the standards required by this bill it would not be long until all of the States and counties would bring their roads to such a stage of perfection as would entitle them to participate in the distribution of the compensation provided by the measure we propose.

Since the taxpayers generally would have to pay the cost of road construction, the roads should be distributed as widely as possible among the people who pay for them. We have given much thought to the working out of a plan which would furnish an equitable apportionment of the roads among the people. While any plan must be somewhat arbitrary, we have thought that as fair and general a system as could be devised would be to take free rural-delivery routes as a basis. This would give a share of road improvement to every State and every county in the country.

It may be urged that since the Government is to pay for the use of the roads it ought to have control of them. The bill which we submit for consideration gives ample protection to the Government by providing that no compensation shall be paid for the use of any road which does not come up to the established standard, and that an officer of the Government shall have sole power to determine that question.

The Democratic principle of local self-government ought to apply to road building and maintenance as to other matters of local concern. We therefore concluded that the States and municipalities thereof should have control of the location, construction, and maintenance of the roads, and let the United States pay for using them just as it now pays the railroads for carrying the mails.

If the roads were to be laid out and constructed by United States engineers sent out from Washington it would cost many times more than if done by local authorities.

Then, too, if United States engineers, instead of State and county authorities, were to have control of our roads we might find ourselves with a few cross-continent highways of great perfection to be used by tourists, while the great majority of the people who pay the expenses would be without ways of travel. It would be pleasant if there was a well-paved avenue from New York to the Golden Gate, over which automobile enthusiasts might glide in pleasant pastime, but it would be more profitable if we had a general system of good roads over which

the farmers could get their mail and transport their products to market. We would not be understood as inveighing against the use of automobiles. We realize that these vehicles are here and here to stay. They are rapidly becoming necessities to modern civilization, and we look with pleasure upon their growing use. They should be kept in mind in the construction of our highways. A general system of good roads, however, would afford far greater facilities for even automobile travel than could be had by expending all available funds on a few fancy highways, leaving the rest of the country neglected.

Mr. Speaker, I yield back the balance of my time.

#### THE WOOLEN SCHEDULE.

Mr. UNDERWOOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 22195—a bill to reduce the duties on wool and manufactures of wool—and, pending that motion, I will first ask unanimous consent that all gentlemen who address the House on this bill and other Members of the House may have five legislative days after the vote on the bill to extend their remarks or print in the Record on the subject matter of this bill.

The SPEAKER. The gentleman from Alabama moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 22195—the wool bill—and, pending that, he asks unanimous consent that all gentlemen have five legislative days in which to print remarks on the subject matter of the bill after the bill passes the House. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

Mr. UNDERWOOD. Mr. Speaker, pending the motion, I desire to know whether I can reach an agreement with the gentleman from New York [Mr. PAYNE] in regard to the consideration of the bill?

Mr. PAYNE. Mr. Speaker, I am willing, so far as I am concerned, to agree to let general debate extend until 4 o'clock on Monday and then close, but I do not care whether we have any debate under the five-minute rule or a chance to offer amendments or not in committee, because I realize it is futile to go through the exercise of that function.

Mr. UNDERWOOD. Mr. Speaker, I understood the gentleman from New York has a substitute to offer for the bill, which I presume he desires to offer in the House and have a record vote on it.

Mr. PAYNE. Well, yes; I will offer it with a motion to recommit.

Mr. UNDERWOOD. I am perfectly willing for the gentleman to have an opportunity to offer it as a substitute if he desires to do so.

Mr. PAYNE. We can agree on that later; I do not care so much about that.

Mr. UNDERWOOD. Mr. Speaker, I ask unanimous consent that all debate on this bill shall continue to-day and Saturday and on Monday up to 4 o'clock; at that time the committee shall rise and report the bill to the House, the previous question shall be ordered, and that the gentleman from New York shall have the privilege, if he desires to do so, to offer in the House, as a substitute for the bill, the bill that he has indicated he desires to offer.

The SPEAKER. The Chair will suggest to the gentleman from Alabama that next Monday is unanimous-consent day and suspension of the rules.

Mr. UNDERWOOD. Well, I will include with the request for unanimous consent that business in order on Monday shall be in order on Tuesday next.

The SPEAKER. Pending the motion to go into the Committee of the Whole House on the state of the Union, the gentleman from Alabama asks unanimous consent—

Mr. BROUSSARD. Mr. Speaker, may I ask the gentleman from Alabama if this is the same bill which passed the extra session of Congress?

Mr. UNDERWOOD. The one proposed by the majority of the committee is the same.

Mr. BROUSSARD. The same bill in every detail?

Mr. UNDERWOOD. The same bill in every detail except the dates. There is no change in the bill except as to date, and the fact that it was considered under the five-minute rule in the committee at the time is the reason I ask unanimous consent to close debate at the conclusion of general debate.

Mr. NORRIS. Mr. Speaker, will the gentleman yield—

Mr. BROUSSARD. Where is the necessity for this waste of time until Monday if the bill has already been considered by this House and passed?

Mr. UNDERWOOD. Well, I will state to the gentleman from Louisiana that the President vetoed this bill, or a bill similar to the one that is being brought before the House now, stating

that he did so because the so-called Tariff Board had not made a report. If the Tariff Board had not made a report up to this time I would not have brought the bill before the House again; but the Tariff Board having made a report I think it is proper that the House and the Senate should have an opportunity again to consider this bill, with the findings of the Tariff Board before them, and the purpose of the debate is to give the House an opportunity to discuss the bill from the standpoint of the report of the Tariff Board.

Mr. BROUSSARD. Do I understand that the Tariff Board has also brought in a report on the cotton schedule?

Mr. UNDERWOOD. It has, in the last day or two.

Mr. BROUSSARD. What is in contemplation in regard to that?

Mr. UNDERWOOD. Well, I will say to the gentleman very candidly that I can only speak for myself. The Tariff Board report has been ordered printed. It will probably be a week or 10 days or two weeks before the report is printed and comes back to the Committee on Ways and Means. When it comes back to the committee I think undoubtedly the committee will carefully consider the report.

Now, as to whether the committee will report a bill on the subject or not it will largely depend on the action of the United States Senate, as to whether or not it gives consideration to the bills that we have already sent over there, and to the wool bill. If their action indicates that we can pass legislation, I am inclined to think that the Committee on Ways and Means—speaking for myself only and not having consulted the other members of the committee—will report a cotton schedule to the House. If the Senate does not act upon any of the bills pending before them now it would be futile for us to take up any further time of the House in the consideration of such bills.

The SPEAKER. The gentleman from Alabama asks unanimous consent that general debate on this bill begin immediately after the House shall have resolved itself into the Committee of the Whole House on the state of the Union, and continue until 4 o'clock Monday.

Mr. LONGWORTH. Mr. Speaker, will the gentleman yield?

Mr. UNDERWOOD. Yes.

Mr. LONGWORTH. Does that request contemplate that all the time between 12 o'clock and next Monday at 4 o'clock shall be occupied in general debate, with no other business intervening?

Mr. UNDERWOOD. No other business shall intervene, and that the time shall be equally divided between the gentleman from New York [Mr. PAYNE] and myself.

The SPEAKER. Of course it ought to be understood that there is excepted out of that these little resolutions of pressing importance that take no considerable time to pass.

Mr. LONGWORTH. That is the reason I asked the question, Mr. Speaker, because it might be that some little resolutions— from the Committee on Accounts, for instance—might be brought up.

The SPEAKER. The Chair will not recognize anybody for anything that will take up very much time on Monday, or tomorrow, either.

Mr. LONGWORTH. That is perfectly satisfactory.

The SPEAKER. The gentleman from Alabama asks unanimous consent that the general debate on this wool bill begin immediately after the House resolves itself into the Committee of the Whole House on the state of the Union, and continue until 4 o'clock Monday, when the committee shall rise and report back to the House; that the gentleman from New York [Mr. PAYNE] shall have, if he so elects, the privilege of offering a substitute bill in the House, and the previous question shall be considered as ordered on the bill and the amendments, if any, to the final passage; that the business which is in order on Monday under the Calendars for Unanimous Consent, Suspension of the Rules, and Discharge of Committees shall be transferred to Tuesday, and that the time shall be equally divided between the gentleman from Alabama [Mr. UNDERWOOD] and the gentleman from New York [Mr. PAYNE]. Is there objection?

Mr. NORRIS. Mr. Speaker, as I understand it, that proposition would eliminate all amendments under the five-minute rule?

Mr. UNDERWOOD. Well, the only reason that I propose to do so is that this bill has once been considered in the House under the five-minute rule, and the minority desire to offer a full substitute.

Mr. NORRIS. Mr. Speaker, I would like to say to the gentleman that while I do not know that I will offer any amendments, I know that there are several other Members who have been talking about offering amendments that would come in under the five-minute rule, and I do not believe we ought to take away the right of any Member to offer under the five-minute

rule any amendment that might be germane or proper, and I would not want to consent to anything that would take away that privilege.

Mr. UNDERWOOD. Then, how much time does the gentleman think ought to be allowed under the five-minute rule in which to offer amendments?

Mr. NORRIS. Well, there has never been a limit set heretofore, so far as offering amendments is concerned. I am not making any suggestion in regard to general debate. I will not ask anything as to that, but I do not want to eliminate the five-minute-rule debate and the right to offer amendments.

Mr. UNDERWOOD. I will say to the gentleman from Nebraska that I thought that probably the House would prefer to have Monday for general debate instead of taking the bill up as we expected to do. If we can not come to this arrangement on Monday under the five-minute rule—of course I have no preference myself—if gentlemen on that side of the House desire to consider the bill on Monday under the five-minute rule, of course I will not only yield, but will be glad to yield to their desire in the matter. But the bill having once been considered under the five-minute rule and the minority having a full substitute, I thought the arrangement that I proposed would probably accommodate the House better.

Mr. NORRIS. I will say to the gentleman that, so far as I know, I shall not want to offer a large number of amendments, perhaps none; but I do not know whether those cooperating with me will desire to offer many. It is possible that this discussion might develop a situation that would induce Members to offer amendments under the five-minute rule. I do not think any unnecessary time will be taken up on anything, but I do not want to see Members deprived of the opportunity to offer any amendments if it should be deemed desirable to offer them.

Mr. LONGWORTH. I will ask the gentleman if it might not be possible to agree that amendments be offered and considered as pending, and then voted on at the same time the bill is voted on in the House.

Mr. UNDERWOOD. I would not want to agree that we should have a lot of amendments pending that would go into the House. I would be perfectly willing to agree that general debate close at 3.30 instead of 4, and that the last half hour shall be open to amendments to be considered in Committee of the Whole.

Mr. NORRIS. My own idea is that that would be plenty of time, but I would not want to limit it to half an hour.

The SPEAKER. Is there objection?

Mr. DALZELL. Does the gentleman's request for unanimous consent contemplate the passage of the bill finally without its being read at all?

Mr. UNDERWOOD. I proposed that. I am perfectly willing to close debate Saturday night and consider the bill under the five-minute rule in the usual way, if gentlemen desire it. I made the suggestion I did because it seemed to meet with the approval of the gentleman from New York [Mr. PAYNE].

Mr. MANN. Of course the bill would have to be read in Committee of the Whole, unless its reading was waived by unanimous consent.

Mr. UNDERWOOD. Certainly; but this unanimous consent would waive that.

Mr. MANN. That would only apply to the second reading, not to the first reading.

Mr. UNDERWOOD. The gentleman from New York [Mr. PAYNE] preferred to have the time for general debate rather than under the five-minute rule, and I was endeavoring to comply with this request. I ask the Chair to put the request.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none, and it is so ordered. Before the Chair puts the motion of the gentleman from Alabama—

Mr. NORRIS. Mr. Speaker, I do not want to be shut off in that way. I have said several times during this controversy here that I would not consent to any agreement that would take away the right to offer amendments under the five-minute rule.

Mr. JAMES. But the gentleman did not object. He said he would never consent, but he did not object.

Mr. NORRIS. I did not expect the Speaker, and I do not think the Speaker intended, to take advantage of me. He probably did not hear me.

The SPEAKER. The Chair thinks really the gentleman slept on his rights, but nevertheless and notwithstanding the Chair will recognize the objection.

Mr. UNDERWOOD. Is there objection?

The SPEAKER. Does the gentleman from Nebraska object?

Mr. NORRIS. I do object.

Mr. MANN. I suggest to the gentleman that he ask for a division of the time for general debate. That will give a great many more Members an opportunity to take part in the debate.



Mr. UNDERWOOD. Then, I will ask unanimous consent that the general debate on this bill may run to-day and to-morrow.

Mr. MANN. I do not mean to limit the time, but to divide the time.

Mr. UNDERWOOD. I want a limitation of the time, if it can be had.

Mr. LONGWORTH. Would the gentleman consider a request to close general debate at half past 3 o'clock on Monday, and then proceed to read the bill under the five-minute rule for not to exceed one hour?

Mr. UNDERWOOD. I indicated that to the gentleman—

Mr. NORRIS. I would not want to limit that time. I do not think it will take that much time, but I know what might happen under that kind of an arrangement. There will be no trouble about it.

Mr. MANN. I suggest that the general debate run until 3 o'clock Monday. Then, I think the temper of the House will be such—

Mr. NORRIS. There will be no attempt to prolong the general debate under the five-minute rule, as far as I know.

Mr. UNDERWOOD. I am perfectly willing that we should limit the debate until 3 o'clock Monday, and consider the bill under the five-minute rule for one hour after that, to give opportunity for amendment.

Mr. NORRIS. The time might then be all taken up under the first section.

Mr. UNDERWOOD. Then, I ask the Chair to put my motion, that the House resolve itself into the Committee of the Whole House on the state of the Union.

The SPEAKER. Before putting the motion the Chair will submit to the House a personal request.

#### LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted to Mr. SMALL, for two days, on account of illness in his family.

#### THE WOOLEN SCHEDULE.

The SPEAKER. The gentleman from Alabama moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of House bill 22195.

The question being taken, the motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 22195) to reduce the duties on wool and manufactures of wool, with Mr. GRAHAM in the chair.

Mr. UNDERWOOD. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

Mr. UNDERWOOD. Mr. Chairman, the bill, H. R. 22195, which the Committee on Ways and Means now presents to the House for its consideration, is in all respects identical with the bill passed by the House last summer, except the change in date of effectiveness. Hence I do not propose to occupy the time of the House now in discussing a bill which was so fully discussed a few months ago. The House has had full opportunity to understand the terms of this measure.

As the committee is resubmitting this bill to the House without change of basis or rates, no change in its revenue estimate is called for. It is believed by the committee that no loss in revenue will result from the enactment of H. R. 22195, but that the bill will produce approximately as much as in 1910, when the revenue from Schedule K was \$41,904,850.

The reason for again bringing this bill before the House is the fact that the President of the United States vetoed the wool bill at the extra session of Congress last summer and based his veto on the ground that the so-called Tariff Board had not made a report to him, and not until their data was before him could he determine whether the bill then rejected was a proper revision of Schedule K. In his veto message of August 17, 1911, the President said:

If there ever was a schedule that needed consideration and investigation and elaborate explanation by experts before its amendment, it is Schedule K. There is a widespread belief that many rates in the present schedule are too high and are in excess of any needed protection for the wool grower or manufacturer. I share this belief and have so stated in several public addresses. But I have no sufficient data upon which I can judge how Schedule K ought to be amended or how its rates ought to be reduced in order that the new bill shall furnish the proper measure of protection and no more. Nor have I sources of information which satisfy me that the bill presented to me for signature will accomplish this result. \* \* \* When I have the accurate information which justifies such action I shall recommend to Congress as great a reduction in Schedule K as the measure of protection already stated will permit. The failure of the present bill should not be regarded, therefore, as taking away the only chance for reduction by this Congress.

In its report on H. R. 11019 (H. Rept. No. 45, 62d Cong., 1st sess.) the committee said:

It would be trifling with the people to give further consideration to Republican counsels of more delay in this matter, whether with regard to statistical data concerning cost of production promised at a future date, or for any further reasons.

Notwithstanding this conviction, the Democratic majority of the House of Representatives, impatient to respond to the demands of the people for a speedy revision of a schedule of indefensible rates, was forced to delay further effort in answer to the protests of the American people.

In his message of December 20, 1911, the President said:

I now herewith submit a report of the Tariff Board on Schedule K. The board is unanimous in its findings. On the basis of these findings I now recommend that the Congress proceed to a consideration of this schedule with a view to its revision and a general reduction of its rates.

Because of this condition, the majority members of the Ways and Means Committee again recommend a wool bill and give the Congress opportunity once more to send to the President a bill revising Schedule K for his consideration and action. The only event that has occurred since the bill of last session (H. R. 11019) was sent to the President has been the transmission of the report of the Tariff Board with reference to Schedule K.

#### QUESTION OF RATES.

Unless some data can be found in this report that will suffice to show the necessity of changing the bill originally reported by the Ways and Means Committee there can be no ground for altering the deliberate expression of opinion arrived at last summer after careful investigation and embodied in H. R. 11019. If, moreover, it be found that the Tariff Board has not submitted any facts supporting changes in last session's bill, it may fairly be asked whether a board of this character is after all more trustworthy and reliable than a committee of Congress vested with the power to obtain direct information under oath, to employ such assistance as it may need, and to submit its findings to the judgment of disinterested and expert men. For this reason, while entirely rejecting the view that the theory of comparative costs of production furnishes a guide to the rates of duty to be prescribed in a tariff bill, the Committee on Ways and Means have made a careful analysis of the Tariff Board report submitted to Congress by the President (with his special message of December 20, 1911) in order to interpret the findings and to discover in what, if any, particulars the committee's report of last year was defective, and to adjust the duties in an equitable and proper manner. The committee's analysis of the report has failed to reveal anything that requires a single change in the rates as fixed in the former bill (H. R. 11019), and hence the committee is constrained to present again the results of its investigations of last summer as embodied in the bill presented to the House at that time. The majority members of the Committee on Ways and Means are giving to the House the results of painstaking and thorough analysis of the report of the Tariff Board by embodying them in its report on this bill, and I shall append it to my remarks. The conclusions reached from the Tariff Board report, and the manner in which they have been deduced, are fully and clearly set forth in the committee's report, so that he who follows the logic of facts must needs be convinced that the committee's analysis of the Tariff Board's report is fair, just, and invincible.

Of course, it is only proper to state that the Tariff Board represents the views of the President of the United States, who has said that he favors such a revision of the tariff as will equal the difference in the cost of production at home and abroad, together with a reasonable profit to the American manufacturer. Democrats do not approach tariff revision from the viewpoint of the President and his Tariff Board. We on this side of the House do not believe a tariff should be levied for the purpose of protection. We do not believe it is right that the manufacturer be guaranteed a "reasonable profit" by tariff legislation. We would levy tariff duties at such rates as would supply the Government with its required revenue—no more and for no other purpose. It is not impossible that the same facts might serve as a basis for the conclusions of those who would protect manufacturers in a reasonable profit as well as for the conclusions of those who would write the tariff law for revenue purposes only and without regard to the idea of protection.

#### BOARD EXPENSIVE AND RESULTS UNSATISFACTORY.

The question naturally arises in this connection whether under the circumstances this so-called Tariff Board should be continued and looked to to provide a basis on which to write revenue bills, and whether the bill H. R. 22262, which the gentleman from New York will offer as a substitute for the one proposed by the majority members of the Ways and Means Committee, is in accord with the findings of the Tariff Board.

The Congress has appropriated within the last three years \$550,000 for the work of this so-called Tariff Board. Large salaries, heavy payments to experts, costly visits to Europe, and

maximum per diem allowances have taken at last one-half of the money. The pay roll of the board on October 15, 1911, including the five board members, contained the names of 142 persons. The rates of remuneration at that time, if continued for a year, would total \$292,360, an average rate of over \$2,000 a year for every one of the employees down to the charwomen and messengers.

A few instances will be sufficient to indicate the extravagant practices of the board with regard to salaries. The chief statistician was getting \$2,500 before the board employed him at \$5,000. The official reporter, \$2,000 before the board took him at \$3,000. One of the persons designated as file clerk was getting \$1,400 before the board employed him at \$2,250. At least three special agents were employed at \$500 per month, several at \$400 per month, and numerous others at equally extravagant figures.

The apparent results of that appropriation have been a report relative to wood pulp and paper, submitted in Senate Document 849 in the Sixty-first Congress, a report on the wool schedule, found in House Document No. 342, Sixty-second Congress, and a report on the cotton schedule that was submitted within the last week and is now in the hands of the printer. The report on wood pulp and paper was not satisfactory to either the House or the Senate and apparently not satisfactory to the Tariff Board itself, as it subsequently amended its findings on the matter. It was not satisfactory to the President, since he completely disregarded its ultimate findings by recommending complete free trade in pulp and paper on the reciprocity basis.

#### AUTHORITY AND CAPACITY OF BOARD.

The first test of the reports which naturally suggests itself is that of authority and capacity of the board. President Taft originally requested the appointment of a board of tariff experts whose function was to scientifically indicate the changes needed in existing tariff schedules. Later he changed his expressions on this subject and spoke chiefly of the necessity of having careful investigators and capable economists, who should study the tariff schedules from a common-sense standpoint. The President has said that his board is not composed of general tariff experts—indeed, that there are no such experts—but that they are trained students and capable investigators whose opinions may be trusted.

The chairman of the board, Prof. Henry C. Emery, was educated chiefly in Bowdoin College and Columbia University and in the University of Berlin. He was instructor at Bowdoin College from 1894 to 1897, professor of economics at the same institution from 1897 to 1900, and has since been professor at Yale University. Teaching economics is not an occupation that necessarily gives technical familiarity with tariff questions or other specialized phases of the subject. As an author Prof. Emery is best known by his work entitled "Speculation on the Stock and Produce Exchanges of the United States."

The second economist on the board, Prof. Thomas Walker Page, was educated partly in this country and partly abroad at the University of Leipzig, and has taught in various institutions, including the University of California and the University of Virginia, where he was professor at the time of his appointment. It is true that he, like Prof. Emery, had not been known as a writer or student on tariff questions. His reputation rested chiefly upon monographs relating to conditions in early England and not upon studies of recent or modern industrial problems. "The End of Villeinage in England" is the best known work by Prof. Page.

Another member, Mr. James B. Reynolds, after a general newspaper experience, occupied various appointments in connection with the Republican organization in Massachusetts, then was Assistant Secretary of the Treasury for several years, and was finally transferred to the Tariff Board. As an administrator in charge of customs his work consisted largely of supervision and official action on matters prepared by subordinates. He was sent as a member of a commercial commission to France, and about the same time served as member of an administrative commission which investigated the Limoges china schedule at Limoges, France.

Mr. A. H. Sanders, for many years a business man of good standing in Chicago and editor of the *Breeder's Gazette*, had not, so far as can be learned, either contributed to or made any very serious study of tariff problems prior to his nomination.

Mr. W. M. Howard had for several years been a Member of Congress, serving upon a number of committees, none of which were concerned with tariff legislation.

These gentlemen are no doubt men of character and standing but, so far as the facts before me disclose, they are not men who, previous to entering this work had any expert knowledge of tariff matters or any experience that could aid them in reaching correct conclusions on the tariff questions which come before the Ways and Means Committee of the House or the Finance Committee of the Senate.

#### METHODS OF WORK.

To ascertain the facts with regard to the cost of production abroad, I find that in the summer of 1911 the board sent four special agents to England, France, Germany, and other countries. I am informed that but one of these agents had knowledge of other languages than English and only one agent any knowledge of mill accounting or of cost accounting of any character. Much of the material brought back by these special agents was in printed form, and could have been obtained equally as well, or better, by mail.

The cost-of-production theory is the basis on which the board has projected its investigations and constructed its report. The greater portion of the report consists of a study of what is called "comparative cost of production" of wools and manufactures in various countries, the chief stress being naturally laid upon the conditions in the United States. But I find from the public utterances of the board and of the President that they themselves discount the reliability of this plan of ascertaining correct figures to measure the difference in the cost of production at home and abroad, and to furnish a foundation for the rates of a tariff bill. In the outset of its work the board evidently came to the conclusion everybody else has reached that it is impossible even to approximate the difference in costs at home and abroad. This is evidenced by the expression of Chairman Emery in an address at a meeting in Chicago, December 3, 1910, when he spoke as follows:

It is unfortunate that so much emphasis has been laid on the question of getting relative costs, since many people have assumed that to be both an easy and a complete solution of these questions. Any practical man knows that both these assumptions are faulty. One of the most difficult problems which a manufacturer has to solve in his own business is to determine the cost of any individual article which he produces. In fact, it would not be unreasonable for a manufacturer to respond to a request from such a body as ours for his costs of production, "I would give them to you if I could get them; I am willing to pay you a good sum if you will find them out for me."

The theory had already been discredited by the President of the United States in a letter written August 20, 1910, to the Hon. WILLIAM B. MCKINLEY, of Illinois, chairman of the Republican congressional committee, which reads in part as follows:

Difficulty in fixing the proper tariff rates in accord with the principle stated in the Republican platform is in securing reliable evidence as to the difference between the cost of production at home and the cost of production abroad. The bias of the manufacturer seeking protection and the importer opposing it weakens the weight of their testimony. Moreover, when we understand that the cost of production differs in one country abroad from that in another and that it changes from year to year and from month to month, we must realize that the precise difference in cost of production sought for is not capable of definite ascertainment, and all that even the most scientific person can do in his investigation is, after the consideration of many facts which he learns, to exercise his best judgment in reaching a conclusion.

The conclusions of the President and of Chairman Emery with regard to the impracticability of the cost of production theory is confirmed by the following epitomized reasons:

1. In practice the ascertainment of costs is impossible. No board or commission has the power to demand cost statements from manufacturer or producer; and if it had, it could not secure truthful statements. Moreover, there is no way of obtaining statements of any kind from foreigners.

2. Even if all manufacturers, both here and abroad, were willing to throw open their books in an absolutely honest and impartial way to an all-powerful commission it would be of little service. This is because cost accounting is not always practiced by producers, and because, where it is practiced, there is no general agreement as to the treatment of different elements of cost.

3. If there were a perfect system of cost accounting installed upon a uniform basis in every plant manufacturing a given article throughout the world, knowledge of comparative costs in certain countries would still be of little service, since costs in every competing country would have to be known before any conclusions could be arrived at as to what tariff rate was needed to protect a given country against the competition of others.

4. If all these facts were known for every country the difficulty would be about as great as it was previously if the data were to be used for the establishment of tariff rates. This is because costs of production vary as widely within a given country as they do between different countries. Unless it were known whether a duty were to be imposed for the purpose of equalizing costs as between the best, the poorest, or the average (or normal) establishments in the several countries, the information about the costs would be useless as a basis of tariff duties.

5. Even with the knowledge on all of the points already enumerated, and with a clear-cut intention on the point indicated in (4) above, the cost analysis would still be inadequate, because of the fact that many commodities are produced in groups or as by-products, so that to utilize the general-cost analysis as a basis for tariff rates it would be necessary to



know the manufacturer's intention with reference to the fixing of prices. It would further be necessary to know that the manufacturer had no disposition to establish "export prices" at rates lower than those that would be dictated by his costs of production.

6. If all of the foregoing factors were known, including positive data regarding the intention of the manufacturer in regard to the establishment of prices, there would still remain the question whether this information about costs, which is necessarily stated in terms of money, would have any real significance of a permanent economic character. Money costs do not correspond in all cases to real costs as measured by sacrifice of labor and capital. It may be true that a given country can produce much more cheaply than another, yet it does not follow that it will so produce, since its cost advantage in some other line may be so much greater that it devotes its attention almost exclusively to that line.

From all these reasons the conclusion must be reached that cost of production is both practically impossible and theoretically unsound as a basis for the establishment of tariff duties.

Notwithstanding the fact that both the President of the United States and the chairman of the Tariff Board had prior to their investigation of the woolen schedule fully discounted the cost of production theory, the board has spent a large amount of money in making investigations and in preparing this report on this admittedly deficient and impracticable theory.

REPORT CONTAINS BUT LITTLE NEW DATA.

There is really no valuable information in the report of the Tariff Board that was not well known long before there was a Tariff Board. The report points out some of the outrageous rates in the present law. All of us on both sides of the House knew these facts years ago. [Applause on the Democratic side.] These iniquitous duties were uncovered during the discussion of the Payne-Aldrich law, and they were again condemned by both Democrats and Republicans at the special session of the Sixty-second Congress. People knew long ago that many of the rates of duty were prohibitory. We did not need a Tariff Board to further emphasize this well-known fact. When the report gets away from previously established facts—facts which the board did not discover—there is a whipping back and forth that seems to have been resorted to for the purpose of confusing the reader.

Mr. Chairman, cost accounting as a science is in its infancy, and probably no one would set himself up as an authority except in the application of broad, general principles. Exactness in its details has never been reached in many industries. Wool manufacturing is one of those where the system has been least satisfactory. The Tariff Board points out the difficulties it encountered by its own admissions, practically discrediting its own work. On page 627 the board says:

It is, however, impossible to say anything about the cost of cloth per yard without specifically and carefully defining the exact nature of the cloth. There are no absolute standards in the cloth trade, and each mill turns out a great variety of different fabrics; and to divide the total cost of the year by the total number of yards would, of course, give no result of any value.

In speaking of tops, on page 627 they say:

The trouble, however, is that tops vary greatly in quality and that costs vary according to the quality. In no establishment is a single quality of tops produced. The result is that a statement of cost based on total output might be misleading, since it would not represent any actual grade produced. The quality of the tops depends upon the quality of the wool of which it is made. The speed of the machinery has to be adjusted to the quality of the wool fiber, and the variations in combing costs per pound depend largely upon the speed of the comb and the consequent output. Experience has shown, roughly at least, the relative output for different grades of wool and the manufacturer can determine in some degree what proportion of his cost is properly to be apportioned to each grade of tops produced.

The same is also true of worsted yarns. It is true no mill produces a single kind of yarn and consequently an average cost based upon total output in pounds and total expenses would be of less value than an exact cost for yarn of a single count.

On page 628 they say:

The only method available was to start with certain specific cloths and get the most accurate estimates possible from a number of different mills on the cost of making goods of this quality. The difficulty here lay in the well-known fact that estimates on the same sample by different manufacturers may vary very widely.

These difficulties are real and the figures presented in other portions of the report not only clearly confirm but emphasize these difficulties. In taking up the question of cost, the board says:

Raw material was eliminated altogether since this is such a fluctuating element.

They assume an elaborate price for different cloths and yarn, this elaborate price being "the actual price so far as it could be accurately determined for a given date."

Certainly no reputable cost accountant would adopt this uncertain process of computing cost. Such a method would lead to a theoretical cost far from the actual. The correct process

would be to go into a mill and from the books determine what had been the actual cost of producing the output of the mill for a given period. The first element of cost in the production of any article is that of the raw material. The Tariff Board says that this element was entirely ignored. As there are a variety of products, as in the wool-manufacturing industry, there is the difficulty of apportioning certain items which confronts the cost accountant even in using the inaccurate method adopted by the board.

They say they did compute yarn cost to some extent in this intricate way. It would have been possible to compute cloth cost in the same way if the board had had capable accountants. The foreign "costs" are evidently not costs at all, but mere estimates. On page 630 they describe the method adopted in securing foreign costs:

Samples of identical fabrics cut from the same piece were taken to England and to the Continent. These were shown to a number of manufacturers and their estimates on the cost of production secured, but not in the same detail as in American mills, because foreign manufacturers do not keep their cost in any such detail. In England the costings on these samples are given with the authority of a cloth expert, himself a manufacturer, who took the English estimates secured and corrected or verified them from his own experience or the cost in his own mill. \* \* \* The English costs correspond closely with French costs on the same samples. \* \* \* German costs were secured on similar cloths. In no case did a German manufacturer figure on the cost of producing an American fabric. What they did was to select cloths made by themselves, which, from the loom analysis submitted, came very near the sample fabric, and their costs were secured in such detail as their methods of bookkeeping permitted. \* \* \* In the case of German goods, sample cloths were secured from the mill making them; and costs were taken from their books, including the weaver's rate on the identical bolt from which the sample was cut.

Here is a confession that the so-called costs secured in foreign countries are purely estimates, and in the case of England they apparently are by one single manufacturer, because the board states that estimates from foreign sources were submitted to one individual for revision and verification. Assuming that the estimates were carefully and honestly made by capable manufacturers, there is no one who will pretend that they are so near actual costs as to warrant serious consideration. This is the method adopted: To establish figures upon which Congress is calmly told it should adjust duties that shall equalize the difference between the cost of production at home and abroad. If Congress were to attempt such a farcical performance, it is too great a strain on the imagination to hope that it would be so insane as to undertake it on the strength of a few cases of alleged mill costs simply because they had the approval of the five men constituting the Tariff Board.

The comparisons of domestic and foreign costs are based upon data so unlike as to make them valueless, even if these data were approximately correct. Furthermore, the organization of the industry in Europe is so different from that in this country that a comparison of costs is meaningless. On page 642, volume 3, the Tariff Board says:

The combing industry in England and on the Continent is much more highly organized than in the United States.

Notwithstanding this the board gives some figures of comparison which they claim were taken from actual records of two similar plants in England and one in the United States, showing the cost for making tops, and apparently uses these figures with the explanation that they will be accepted as reliable. Notwithstanding the impossibility of securing accurate cost figures in this country and only estimates abroad, and these estimates in all probability very erroneous, the report is packed with a mass of figures that may mean whatever suits the user, but which mean nothing at all. An examination of some of these figures, while not enlightening, are certainly interesting, and if not presented for so serious a purpose they would be amusing.

The first thing that strikes the reader of the portion of the report dealing with top costs is the fact that there is such a variation in the figures as to convince him of their utter uselessness. A table on page 642 shows the variation in costs as taken from the records of an American mill, covering a period of 25 months. These 25 months are divided into four periods, three of 6 months each and one of 7 months, and the cost per pound of output for these various periods are given. These costs vary from about 3 cents per pound to approximately 11 cents per pound. The table in which this appears, like most others in the report, is remarkable for the darkness that surrounds it. No information is given as to the character of the equipment of the mill nor as to the relative proportions of the various qualities of wool used and the various qualities of tops produced. The following facts are necessary to an intelligent analysis of the data:

- (1) The equipment of the mill.
- (2) A statement as to how much overtime the mill was running during the period of highest production.
- (3) How much less than full time was the mill running at the period of lowest production.

(4) Which part of the four most nearly represent full time.  
(5) What percentage of the product was each of the grades of wool used.

(6) Was the percentage of each grade of wool the same for all products? The answers to these questions might have, and undoubtedly would have had, an important bearing on the relation of the figures in one part to those in another. If the board have this information they can not escape criticisms for holding it. If they did not have it, they can not justify their use of these figures.

There is in this table an entire absence of details of costs. On the same page figures showing labor costs per pound of tops are given, but they are for an entirely different mill and may not be representative of the mill whose 25 months' product is shown. There is nothing to indicate whether the labor costs shown are typical or not. It would be interesting to know why labor costs are not shown for the table for variation in cost and why items of cost, other than labor, are omitted in the statement.

On page 643 is still another table which "is presented as fairly representative of the cost of making a very high quality of tops by mills using the French system of combing." On page 644 still another table is given which is said to have been "compiled from the actual records of the leading combing establishments on the Continent."

In the table on page 643 four grades of tops are shown and the labor cost is reported to be exactly the same for each of these grades. This evidently can not be true. The figures are so arranged that the total conversion cost of the four different grades of tops are practically the same for each. In the table on page 644 the costs are for tops produced from fine wools. This table shows a variation as great as six-tenths cent per pound from month to month in the same mill running presumably upon the same class of tops. This variation is explained "by fluctuations in the output." The labor cost for producing tops in the United States as shown in the table on page 643, exclusive of sorting, is about 7½ cents per pound, whereas the labor costs given on the Continent are approximately 4 cents per pound. When it is taken into account that the figures for the United States are unquestionably erroneous, as is indicated by the uniform labor costs for the various grades of tops, and that at least a portion of the figures for the Continent are pure estimates, and furthermore, that there is no evidence as to identity or quality either in the raw material or the products in the United States and Europe, a comparison of these figures would certainly be misleading.

The wide difference in labor costs in the same mill at various periods is attributed almost entirely to a difference in output. No one familiar with cost accounting can reconcile these differences upon any such theory. It is true that a difference in output gives rise to a difference in converting cost, but it does not seem possible that in a woolen mill the cost for one six-month period should be almost four times as high at another six-month period and due entirely to a difference in output. In the absence of details with respect to the figures shown on page 642 the reasonable and careful cost accountant can not otherwise conclude than that the figures for one or the other produced are absolutely incorrect. It is not improbable that they are wholly incorrect for all produced.

#### CHARACTER OF FIGURES.

Again, if the cost of production theory is acceptable in the abstract, or may conceivably be made so, the question remains whether the report is worked out from the statistical standpoint

thoroughly and carefully so as to present trustworthy results. Finally, independent of the conclusions reached on cost of production in the abstract, and whether or not the report is satisfactory in its technique, the question will remain as to what actual significance regarding tariff duties is to be given it, granting, for the sake of argument, that its conclusions are accepted.

The board probably made a more comprehensive study of the cost of production of raw wool than of any other item in the bill. They sent men abroad to ascertain the cost of production in South America and Australia. These agents are said to have found that the cost of production in South America is 4 or 5 cents a pound, and, without stating definitely what it is in Australia, seem to assume that their findings in South America are to be taken as the correct figures in Australia. They do not give us the figures on which they base their results. They do not give us ascertained facts on which we may come to a conclusion, but they reach their own inferences as to foreign wool, and then report these conclusions to us. We do not know from whom these experts ascertained the facts. We do not know the reliability or the number of the persons they consulted, or how the data were compiled.

As to the ascertainment of the cost of producing wool in the United States, the board based their results on the net cost of raising sheep, giving credit for the mutton value, and then fixing the difference in cost, if any, on what the wool must sell for to equalize the difference in cost at home and abroad. In so doing they estimate the cost of grain and of hay. They say themselves that they can not take the market price, because it varies; but they work out what they believe to be the cost to the sheep raiser of the grain and hay which he feeds. It is apparent that on a basis of that kind no satisfactory conclusion can be obtained. In one neighborhood the cost of grass or hay may be zero; in another neighborhood it may amount to a considerable sum. There is no basis on which an accurate conclusion as to this can be reached. But assuming that the board's findings are correct, they finally come to the conclusion that third-class wool, as designated in the Payne tariff bill, is not competitive, and their data point to the belief that no duty is needed as a protection to the American producer of this class of wool; that the cost of producing second-class wool is fully cared for by the value of mutton, so that there is no difference between the cost of production of this wool at home and abroad. Hence, the real competitive wool is that of class 1, as defined in the present tariff act. The board gives numerous figures to show the cost of producing this fine merino wool. They state that there are about 5,000,000 sheep which produce this wool, meaning practically Ohio wool, and that the cost of producing it is 19 cents a pound in the grease. But they also find in the same territory 10,000,000 crossbred sheep which, according to their findings on mutton value, need no protection whatever. Therefore, if we maintain a protection for the eastern wool-grower, the present law is not sufficient, as it gives only 11 cents protection, while the board has ascertained that this class of wool costs 19 cents, and therefore needs protection equal to this amount less the foreign cost, which is not over 5 cents; but if the owners of the merino sheep should exchange for the crossbred mutton sheep, according to the board's report no protection at all would be required.

#### DEMAND FOR EXCESSIVE RATES.

To come to the western wools, the board sets out in detail the net charge against the wool in the Western States. This table sheds light on this subject:

*Ad valorem and specific rates necessary on Australian and South American wools in order to equalize territory wool costs.*

States.	Net charge per pound against wool. <sup>1</sup>		Difference in cost between United States wool and that of Australia and South America.	Total disadvantage of scoured pound on shrinkage basis of 64.32 per cent.	Average cost per scoured pound. <sup>2</sup>		Ad valorem rate necessary to equalize difference in cost of—		Specific rate per pound necessary to equalize difference in cost between wools of the United States, Australia, and South America.
	United States.	Australia and South America.			Australian.	South American.	Australian wool (per cent).	South American wool (per cent).	
Arizona.....	\$0.106	\$0.055	\$0.051	\$0.143	\$0.508	\$0.374	28.15	38.24	\$0.143
California.....	.071	.055	.016	.045	.508	.374	8.86	12.03	.045
Colorado.....	.087	.055	.032	.090	.508	.374	17.72	24.06	.090
Idaho.....	.173	.055	.118	.330	.508	.374	64.96	88.24	.330
Montana.....	.138	.055	.083	.232	.508	.374	45.67	62.03	.232
Nevada.....	.041	.055	+.014	.....	.508	.374	.....	.....	.....
New Mexico.....	.083	.055	.028	.078	.508	.374	15.35	20.86	.078
Oregon.....	.109	.055	.054	.151	.508	.374	29.72	40.27	.151
Utah.....	.093	.055	.038	.106	.508	.374	20.87	28.84	.106
Washington.....	+.005	.055	+.060	.....	.508	.374	.....	.....	.....
Wyoming.....	.124	.055	.069	.193	.508	.374	37.99	51.00	.193
Total.....	.109	.055	.054	.151	.508	.374	29.72	40.37	.151

<sup>1</sup>Report, pp. 330, 350.

<sup>2</sup>Based on Report, pp. 387-390 and pp. 390, 391.



The majority members of the Ways and Means Committee did not levy the tariff rates of H. R. 22195 for the purpose of protection. The rates have been fixed for the purpose of revenue only, but the tax on all classes of raw wool is a uniform one of 20 per cent, which on imported wool valued at 25 cents a pound would equal 5 cents a pound as a specific rate of duty. If you want to maintain protection on wool and not levy this tax for revenue, as we do, and if you want to carry out your protection theory and levy it for the sake of protection alone, according to your own Tariff Board report you are levying it solely to protect 5,000,000 sheep of the merino blood in Ohio, and not for the protection of the western flocks or the cross-bred sheep east of the Mississippi River.

As shown in this table, the cost of raising wool in the West, according to the Tariff Board, is in some States less than it is in South America or Australia. The average of the net charges against the western wool, shown in these States is 10.9 cents a pound, and the difference between that and 5 cents in South America would be about 5 cents a pound.

The cost of production of wool in the Ohio region, as given by the board, is 19 cents per pound on the average. Inquiries as to shrinkage show that this wool shrinks 46.62 per cent; in other words, 19 cents is 53.38 per cent of the cost of a scoured pound.

The cost of such a scoured pound, therefore, may be taken as 35.6 cents. This must be compared with the supposed cost advantage in Australia. In the latter country, it may be inferred from the report, the cost of production may be taken as 5 cents. However, at least 2 cents must be added in this case as the freight disadvantage, because of the comparative nearness of the Ohio region to the mills. From the standpoint of Ohio, cost in Australia may be taken as 7 cents. The theoretical disadvantage in the Ohio region is thus 35.6 cents minus 7, or about 28.6 cents. Figuring this as a percentage upon the cost of the competitive Australian wool imported into the United States, which may be taken as 50.8 cents a scoured pound, on the average, it is found that 28.6 cents represents over 55 per cent ad valorem. This is very much more than the protection amounts to, accorded under the present specific basis. In the board's table of actual importations and scourings in a representative American mill (pp. 387-389) the equivalent ad valorem run from about 34 per cent to about 55 per cent. In very few instances are there equivalent ad valorem as high as 55 per cent. It would seem, then, that the Ohio wool-producing region is not protected now on the assumption that the board's cost figures are correct and that, if it is to be protected at all, the tariff on wool would have to be very much raised above its present figures, so as to give a rate of 28 or 29 cents on the scoured pound and of at least 55 per cent ad valorem.

#### COST OF YARN AND CLOTH.

The Tariff Board's conclusions in reference to the difference in the cost of yarn at home and abroad is slightly above the rate fixed in H. R. 22195, but the board made no allowance for the cost of transporting the foreign yarn from foreign countries to America or the cost of insurance. If you make a reduction of the charge on foreign yarn with a reasonable freight rate to the American market and a reasonable insurance rate, their findings on yarn do not justify any change in the yarn rates of H. R. 22195. Gentlemen on that side of the House desire to add protection and a reasonable profit for the home manufacturer of yarn, which, of course, Democrats do not desire to incorporate in this bill. Absolutely no data are presented by the board that are of any value with regard to cloth. They have not presented any figures showing mill costs of producing cloth here and abroad. They have taken a number of American and foreign samples of cloth, which, they say, are the same classes of cloth, and they have sent those cloth samples, so they say, to from 5 to 15 different woolen mills of this country. They do not say from how many they secured prices abroad. They asked the manufacturers the cost of producing such cloth, and from the returns received from the manufacturers they have reached the conclusion that they send to this Congress.

"The board gives no information which would enable a student of this report to trace the cost of production of these cloth samples back to the raw wool from which they were made. Nowhere does anything of the kind appear in all these four volumes. If the duty required to protect the process of cloth manufacture be figured as a percentage of the foreign cost of cloth making, it presumably gives the amount of duty which, on the board's theory, would equalize the cost of getting cloth cor-

responding to these samples. The differences in cost upon the yarn out of which the cloth was made can be inferred from the previous statistics with reference to yarn costs furnished by the board, but even in this way only an approximation can be arrived at, for the board's analysis of the cloths shows that many of them included other materials beside wool. It must be concluded, therefore, that the data with respect to cloth making furnished by the board are not only unreliable, but that they have been obtained on a basis which forbids comparisons from being drawn and which entirely destroys confidence in any conclusions as to duties that may be arrived at on the basis of these figures.

The conclusions are not those of the Tariff Board, but of certain manufacturers unknown to us, and the Ways and Means Committee have been unable to learn anything of the manufacturers or the methods employed in the compilation of the statistics.

#### REFUSAL TO GIVE INFORMATION.

The correspondence will show the attitude of the board in this regard:

#### CORRESPONDENCE WITH THE TARIFF BOARD WITH REGARD TO ANALYSIS OF REPORT.

WASHINGTON, D. C., January 10, 1912.

Hon. HENRY C. EMERY,

Chairman Tariff Board, Washington, D. C.

SIR: In the course of my examination of your report on wool and manufactures of wool, I require further information for a complete understanding of it. It may be that this information is contained in portions of the report which have escaped my attention, but I have been unable to find it. If the data desired are contained in the report, I shall be under obligations to you to point it out to me, and in the event that they are not given, I would thank you to kindly supply me with the same. I do not, of course, desire to request any data that may be considered as confidential in the way of making public names or addresses of persons who have supplied you with details. If any of the material sought by me comes within this scope, I take it that it will be possible for you to designate by numbers such returns, retaining your own memoranda which show the names of the concerns to which given numbers refer. I desire the detailed data sought only for the purpose of informing myself and this committee with regard to the general meaning of certain features of the report and not for the purpose of examining the sources which you have used.

The points which I have in mind and about which I would thank you to furnish me additional information are:

Raw wool—

(1) Will you kindly loan this committee the original tables or working sheets showing the full and detailed returns from the reports of field agents with regard to raw wool, you reserving, if desired, names and addresses of the persons whose returns to you are involved?

(2) If no such sheets were compiled for the investigation in Australia, New Zealand, and South America, please inform me more fully as to the conditions under which the inquiry was carried on there and the number of growers visited.

(3) Were general tables compiled showing the data obtained from each and every mill with regard to woolen manufactures? If so, have these been printed; and if not, could you lend these to this committee?

(4) Have you a record of the number of concerns from which costs were obtained and each sample of cloth, and can you lend the committee that record?

I would like the record in this connection both for foreign and domestic mills, with an indication in connection with each of the degree of efficiency of the foreign mills furnishing such costs compared with the efficiency of the mills in the United States furnishing similar costs. If possible, I would be pleased to have these same data for each of the groups of samples which are discussed in your report, together with a memorandum of the location of the mills involved.

(5) Can you supply the committee with a tabular view or statement showing how many ready-made cloth concerns were asked to furnish costs on specimen garments of each given kind, thereby creating the basis for the tables in which typical costs are analyzed?

These are some of the points which have occurred to me in the course of my examination of your report, and if you can put me in possession of the data outlined I shall be especially gratified, and thank you in advance for your prompt reply.

Very respectfully,

O. W. UNDERWOOD,  
Chairman.

THE TARIFF BOARD, TREASURY BUILDING,  
Washington, January 18, 1912.

Hon. OSCAR W. UNDERWOOD,

Chairman Ways and Means Committee,  
House of Representatives.

DEAR MR. UNDERWOOD: I have the honor to acknowledge your letter of January 10, which reached us on the 13th. The delay since then in replying to it is due to absence from the city.

I regret that it is impossible to meet your five requests fully. You will realize that a very large part of the information we received was given us only on condition that the material should not be made public, except in the form of summaries and conclusions to be printed in our report. It was stipulated that individual figures should not go beyond the possession of the board. We are obliged to respect these pledges of confidence.

Taking up your requests seriatim, I beg to say:

1. The original schedules on raw wool were secured on the understanding that they should be held confidential by us. These could not be submitted in a form which would not make identification possible. The same is true of the working sheets, which are arranged on the basis of counties, giving acreage, size of flock, etc., in a manner which would make it possible to identify the individual sheep owner.

2. As to the investigation in Australia, New Zealand, and South America, this was carried out by wide traveling and consultation with many growers and buyers. You will find on page 519 of Volume II a description of the course pursued by our agent in South America. He visited over 100 leading growers. Similar methods were followed by our agents in Australia and New Zealand.

3. The compilations on wool manufactures were not made by mills, except in the case of those covered by that part of the investigation of which the results are given in Volume IV. The information there is given by establishments.

4. It is not possible for us to give the exact number of mills from which figures were obtained abroad on the different samples, since the results were in some measure summarized by experts employed by us before being submitted. Furthermore, information was secured as to the cost of certain processes from a large number of mills from which complete figures as to total cost were not secured. In the case of American mills the costs given on the 55 samples cover a range of from 3 to 15 mills per sample. In all cases we aimed, both at home and abroad, to take costs on the basis of mills of good efficiency running full time. In the case of the 55 samples of cloth inefficient mills were eliminated. Where, because of unusual success on particular fabrics, one or two mills are able to make a given sample at a distinctly lower cost than other mills of the same general efficiency, that fact is noted in the report. A statement of the locality of such mills would easily identify the particular establishment. However, you will find on page 620, Volume III, a complete list of the 174 mills from which information was received.

5. I think you have misunderstood the table as to costs of "specimen garments." In the case of the ready-made clothing investigation we did not establish a definite number of sample suits, but took costs from a number of manufacturers on actual suits turned out by them. That is, in the table of costs of specimen garments (Tables 14 to 17, in Volume III, pp. 870 and following) each one represents the cost of an actual suit or garment made by one manufacturer. These are then grouped in various ways to bring out the essential facts as to prices and costs. Altogether they cover 169 suits, 45 overcoats, and 10 pants made in 40 establishments.

I appreciate your statement that you do not wish to examine the sources on which our report is based in such a way as to reveal the identity of establishments who have given us confidential information. However, the original material is of such a nature that if made public such identification would be possible.

As to your expressed desire for information regarding "the general meaning of certain features of the report," we are entirely at your service or at the service of any member of the committee. If the meaning of any part of our report is not clear, we are anxious to make it so and will welcome a call at any time from any member of the committee or of Congress and further explain any question that may arise.

Very respectfully,

HENRY C. EMERY, Chairman.

Constant assertions have been made by Tariff Board representatives that they could not afford any interpretation, explanation, or analysis of the data and figures contained in their report. Not only have they refused to furnish additional information when asked for it by the Ways and Means Committee, but the chairman of the Tariff Board has stated in public before a Senate committee that he did not feel warranted in expressing any opinion on the subject.

Here is a tariff board that we paid \$550,000 for, ordered to ascertain facts for the information of this House, and a report is submitted to Congress, and when the chairman of the committee requested this board to give him information as to where they obtained the basis of the facts that they report to Congress it declines to give the information. Are you prepared to say that the Congress of the United States should write its legislation based on the findings of a board that proposes to lock in its inner consciousness facts that the Congress is entitled to know? Why, the method that we have pursued for 100 years is far preferable to that. Under the old method of securing facts, followed by the Ways and Means Committee three years ago, the manufacturer appeared and was subjected to cross-examination. To-day we have the report of a tariff board from manufacturers unknown and unknowable, and we are asked to take their conclusions.

#### REPORT INCOMPLETE.

As to the balance of this report there is practically nothing ascertained in reference to knit goods, merely a deduction from the facts that they had reported about cloth; no information given in reference to blankets, hats, or the great carpet industry. The Government has paid half a million dollars for this Tariff Board, and what have the people received in return? We have for this report some data on raw wool, some figures on the cost of producing tops and yarn at home and abroad, some samples on which unknown manufacturers estimated costs, and this is practically all we have for the \$550,000—and none of the data affords a basis on which to fix tariff rates.

Briefly stated, the conclusions reached from the committee's analysis of the Tariff Board report are as follows:

1. The theory of applying tariff duties according to the difference in the cost of production in this and in foreign countries, upon which the board has projected and prepared its report, is entirely erroneous and untenable. Furthermore, if this theory could have been systematically and carefully applied, it would not have afforded trustworthy results for guidance in preparing tariff legislation.

2. The board's report is fragmentary and incomplete, and rests on an incorrect statistical basis. Hence it has no claims to confidence for the results set forth therein, even should the reliability of the theory of the cost of production be conceded.

3. Those persons who are willing to overlook the lack of theoretical soundness and of statistical accuracy, will find the data of the report too fragmentary and incomplete to admit of conclusions with reference to rates of tariff duty. Even under the most favorable interpretation of the report, conclusions as to duties can be reached for only a few paragraphs of the wool schedule, and for these paragraphs it is not possible to formulate definite conclusions, because the figures vary widely, and seriously lack uniformity and comparability. So much is this the case that justification is apparently afforded in the report for rates that are in conflict with one another. It is thus seen that the report leaves the question of the tariff duties on wool as much unsolved as before the Tariff Board was formed.

4. So far as conclusions can be drawn from the board's report, it furnishes nothing to justify any change in the rates proposed in H. R. 11019. With full recognition of the incomplete, fragmentary, and unsatisfactory nature of the data, and with full admission of the inadequate and unreliable basis afforded for computations, the following table may be regarded as setting forth, as well as it is possible to do, the conclusions as to the rates of duty justified by the report.

Comparative equivalent ad valorem rates of duty in 1910 and 1911 with those of H. R. 11019, together with the rates computed from the Tariff Board report as equalizing cost of production.

Item.	Equivalent ad valorem per cent computed from imports.		H. R. 11019 (per cent).	Ad valorem rates necessary to equalize cost of production
	1910	1911		
Unmanufactured wool.....	44.31	42.20	20	0-25
Noils, wastes, shoddies, mungo, flocks, etc., and all other wastes or rags composed wholly or in part of wool, n. s. p. f.....	38.96	34.99	20	0-25
Combed wool or tops.....	111.73		25	5-30
Wool and hair advanced in any manner n. s. p. f.....	86.33	80.99	25	5-30
Combed wool or tops, and wool and hair advanced, etc.....	105.19	80.99	25	5-30
Yarns made wholly or in part of wool.....	82.38	76.61	30	12-45
Cloths, knit fabrics, felts not woven, and all manufactures of wool, n. s. p. f.....	97.11	65.26	40	32-70
Blankets and flannels.....	95.57	93.66	30 and 45	(1)
Dress goods, women's and children's, coat linings, Italian cloths, bunting, and similar goods, n. s. p. f.....	102.85	102.11	45	32-70
Clothing, ready-made, and articles of wearing apparel of every description, including shawls, whether knitted or woven, and knitted articles of every description, etc.....	81.31	78.06	45	32-70
Webbings, gorings, suspenders, braces, bandings, etc.....	87.06	84.76	35	(1)
Carpets and carpeting.....	60.66	61.62	25-50	(1)

<sup>1</sup> No data furnished by Tariff Board.

In making the computations from which have resulted the rates shown in Table 15, as justified by the Tariff Board's data, the most expensive and difficult conditions indicated by the data as attending production have been employed with a view to being more than just in the conclusions. As will be observed from the figures shown, the necessity of protection to equalize the difference in the cost of production beyond the rates carried by H. R. 11019 exists in but few instances, and these are in all probability the result of the high costs which have been presented by the board and used in the computations.

5. In preparing H. R. 11019 no intentional provision was made for protection, the endeavor being to reduce and adjust rates with a view to producing the largest amount of revenue consistent with the proper consideration of the consumer. It is believed that the rates of H. R. 11019 approach very closely, at least, to the best revenue-producing points, and these rates should, if enacted into law, permit such quantities of imports as will effectively regulate domestic prices. Such competition would be an important service to the people, as it would encourage increased consumption and production by making more nearly normal the conditions of supply and demand. The report of the Tariff Board, so far as it admits of conclusions, shows that the rates which meet the consumer's needs also sufficiently satisfy those of the producer.

#### ANALYSIS OF PROPOSED PAYNE BILL.

I will devote the balance of my time to a discussion of the bill that the gentleman from New York [Mr. PAYNE] proposes to offer as a substitute for the one now under consideration. I note from the public press, in the views of the minority, that this bill proposes to reduce the present rates on the woolen schedule by an average of 40 per cent. Now, that is not a fair statement to the American people. How do you reach that result? By putting third-class wool on the free list for the benefit of the American manufacturer, not for the benefit of the American people, sacrificing \$4,700,000 worth of revenue, and you call that a reduction in the schedule rates. I have carefully analyzed the minority bill and will submit the analysis at this point in my speech.



Imports of 1911, duties, average unit of value, equivalent ad valorem rate of duty on imports, duties estimated by applying Payne proposed rates to 1911 imports, together with equivalent ad valorem rates on Payne bill (H. R. 22262) and of Underwood bill (H. R. 22195).

Paragraph Payne proposed bill.	Article.	Imports entered for consumption, year ended June 30, 1911.						Payne proposed bill (H. R. 22262).		Ad valorem rate of duty H. R. 22195 (Underwood bill).
		Quantity.	Value.	Duties.	Average unit of value.	Equivalent ad valorem.	Duties estimated on 1911 imports and on 100 per cent wool content.	Rate.	Equivalent ad valorem.	
2, 7, 9	Unmanufactured wools: Classes 1 and 2—	<i>Pounds.</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Per ct.</i>	<i>Dollars.</i>		<i>Per cent.</i>	<i>Per cent.</i>
	On the skin	2,708,775.25	622,467.48	271,847.58		43.67	180,469.44	16 cents pound	28.99	20
	Not on the skin	67,140,641.83	16,416,490.82	7,500,856.06		45.09	5,032,325.39	18 cents pound	30.65	20
	Scoured	478.00	218.00	158.28		72.61	90.44	19 cents pound	41.49	20
3, 8, 9	Class 3	96,050,946.00	12,533,082.22	4,709,992.99		37.88		Free		20
	Total unmanufactured wools	165,900,839.08	29,572,258.52	12,482,854.91		42.20	5,212,885.27			20
10-17	Manufactures composed wholly or in part of wool, worsted, the hair of the camel, goat, alpaca, or other animals: Wastes: Yarn, thread, and all other wastes and wool extract.	37,850.00	13,010.00	7,670.00		58.19	16,813.00	8 to 18 cents pound according to article.	52.37	20
	Noils	170,530.00	106,664.00	34,106.00		31.98	18,758.30	11 and 14 cents pound according to article.	17.59	20
	Mungo	11,079.00	3,454.00	1,107.90		32.08	886.32	8 cents pound	25.66	20
	Rags and flocks	241,800.00	68,263.00	24,180.00		35.42	4,836.00	2 cents pound	7.08	20
	Total waste, etc.	461,259.00	191,391.00	66,963.90		34.99	31,293.62		16.35	20
18	Combed wool or tops, made wholly or in part of wool or camel's hair.							20 cents pound plus 5 per cent.		25
19	Wool and hair advanced in any manner, or by any process of manufacture, beyond the washed or scoured condition, n. s. p. f.	124.03	130.35	117.22		89.93	35.23	20 cents pound plus 8 per cent.	27.03	25
20	Yarns made wholly or in part of wool—									
	Valued not more than 30 cents per pound.	35.75	8.62	12.86	0.241	149.19	8.55	21½ cents pound plus 10 per cent.	99.19	30
	Valued more than 30 cents per pound.	177,489.73	186,645.41	142,991.88	1.05	76.61	84,821.64	21½ cents pound plus 25 per cent.	45.45	30
	Total yarns	177,525.48	186,654.03	143,004.74	1.05	76.61	84,830.19		45.45	30
21	Cloths, woolen or worsted—									
	Valued not more than 40 cents per pound.	7,738.75	2,564.40	3,835.98	.331	149.59	2,704.01	25 cents pound plus 30 per cent.	105.44	40
	Valued more than 40 cents and not more than 70 cents per pound.	353,937.80	211,275.75	261,370.47	.597	123.71	165,970.34	26 cents pound plus 35 per cent.	78.56	40
	Valued above 70 cents per pound.	4,461,846.53	5,012,657.92	4,720,174.00	1.12	94.17	3,666,406.06	26 cents pound plus 50 per cent.	73.14	40
	Reciprocity treaty with Cuba.	30.00	53.00	33.88	1.77	63.92	26.35	26 cents pound plus 55 per cent minus 20 per cent.	49.72	40-20
	Total cloths	4,823,553.08	5,226,551.07	4,985,414.93	1.08	95.39	3,835,109.76		73.38	40
	Knit fabrics—									
	Valued at not more than 40 cents per pound.	197.00	63.00	96.51	.320	153.19	68.15	25 cents pound plus 30 per cent.	108.17	40
	Valued at above 40 and not above 70 cents per pound.	1,653.00	1,060.00	1,257.32	.641	118.62	853.78	26 cents pound plus 40 per cent.	80.55	40
	Valued at above 70 cents per pound.	12,513.00	13,734.00	13,059.42	1.10	95.09	10,120.38	26 cents pound plus 50 per cent.	73.69	40
	Total knit fabrics	14,363.00	14,857.00	14,413.25	1.03	97.01	11,042.31		74.32	40
	Felts	78,249.00	96,892.34	92,564.97	1.24	95.53	68,790.91	26 cents pound plus 50 per cent.	71.00	40
	Plushes and other pile fabrics—									
	Valued at above 40 and not above 70 cents per pound.	2,790.00	1,698.00	2,076.00	.609	122.30	1,404.00	26 cents pound plus 40 per cent.	82.72	40
	Valued at over 70 cents per pound.	10,227.00	10,011.00	10,005.93	.979	99.95	7,163.97	26 cents pound plus 45 per cent.	71.56	40
	Total plushes, etc.	13,017.00	11,709.00	12,082.53	.900	103.20	8,568.57		73.18	40
	Dress goods, women's and children's coat linings, Italian cloths, and goods of similar description: The warp consisting wholly of cotton or other vegetable materials, with the remainder of the fabric composed wholly or in part of wool—									
	Weighting 4 ounces or less per square yard—									
	Valued at not exceeding 15 cents per square yard—	<i>Square yards.</i>								
	Not above 70 cents per pound.	7,247,614.25	950,265.00	982,465.51	.131	103.39	851,200.93	26 cents pound plus 40 per cent.	89.58	45
	Above 70 cents per pound.	1,198,830.25	172,278.00	178,671.02	.144	103.71	131,250.37	do.	76.19	45
	Valued at more than 15 cents per square yard—									
	Not above 70 cents per pound.	301,805.50	51,756.00	50,022.44	.171	96.65	40,319.76	26 cents pound plus 40 per cent.	77.90	45
	Above 70 cents per pound.	5,521,564.74	1,124,685.50	1,060,302.22	.204	94.28	808,775.91	do.	71.91	45

<sup>1</sup>Estimated at 18 cents per pound, the rate on top waste and slubbing waste.

<sup>2</sup>Estimated at 11 cents per pound, the rate on noils not carbonized.

<sup>3</sup>Estimated as weighing 4 ounces per square yard.

<sup>4</sup>Estimated as weighing 3.2 ounces per square yard.

Imports of 1911, duties, average unit of value, equivalent ad valorem rate of duty on imports, duties estimated by applying Payne proposed rates to 1911 imports, together with equivalent ad valorem rates on Payne bill (H. R. 22262) and of Underwood bill (H. R. 22195)—Continued.

Para- graph Payne proposed bill.	Article.	Imports entered for consumption, year ended June 30, 1911.					Payne proposed bill (H. R. 22262).			Ad valorem rate of duty, H. R. 22195 (Underwood bill).
		Quantity.	Value.	Duties.	Average unit of value.	Equivalent ad valorem.	Duties estimated on 1911 imports and on 100 per cent wool content.	Rate.	Equivalent ad valorem.	
22	Manufactures composed wholly or in part of wool, etc.—Continued.									
	Dress goods, etc.—Continued.									
	Weighing over 4 ounces per square yard—	<i>Pounds.</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Dollars.</i>	<i>Per ct.</i>	<i>Dollars.</i>		<i>Per cent.</i>	<i>Per cent.</i>
	Valued at not more than 40 cents per pound.	918.00	346.00	452.14	0.377	130.68	1218.55	25 cents pound plus 30 per cent.	63.16	45
	Valued at above 40 and not above 70 cents per pound.	37,837.05	23,066.00	26,772.44	.610	116.07	*19,064.03	26 cents pound plus 40 per cent.	82.65	45
	Valued at over 70 cents per pound.	252,042.50	228,932.05	224,971.07	.908	98.27	*168,550.47	26 cents pound plus 45 per cent.	73.62	45
	Composed wholly or in part of wool—									
	Weighing 4 ounces or less per square yard—	<i>Square yards.</i>								
	Valued at not above 70 cents per pound.	24,877.76	5,030.50	5,251.80	.202	104.40	*3,629.25	26 cents pound plus 40 per cent.	72.14	45
	Valued above 70 cents per pound.	10,400,807.97	2,333,034.32	2,427,257.89	.224	104.04	*1,609,266.25	do.	68.98	45
	Weighing over 4 ounces per square yard—	<i>Pounds.</i>								
	Valued at not more than 40 cents per pound.	186.00	57.00	89.88	.306	157.69	63.60	25 cents pound plus 30 per cent.	111.58	45
	Valued at above 40 and not above 70 cents per pound.	279,347.21	162,114.00	203,969.77	.580	125.82	129,380.17	26 cents pound plus 35 per cent.	79.81	45
	Valued at over 70 cents per pound.	1,400,909.24	1,312,708.50	1,338,390.18	.937	101.96	954,955.23	26 cents pound plus 45 per cent.	72.75	45
	Total dress goods, etc.		6,364,272.87	6,498,616.36		102.11	4,716,674.52		74.11	45
	Blankets—									
	Valued at not more than 40 cents per pound.	1,561.50	523.00	500.43	.335	95.68	471.55	23½ cents pound plus 20 per cent.	90.16	30
	Valued at more than 40 and not more than 50 cents per pound.	1,696.49	800.36	839.98	.472	105.00	598.77	23½ cents pound plus 25 per cent.	74.81	30
	Valued at more than 50 cents per pound.	38,717.69	46,226.23	31,267.71	1.19	67.64	22,966.53	23½ cents pound plus 30 per cent.	49.68	30
	Reciprocity treaty with Cuba.	8.00	9.00	4.99	1.13	55.44	2.78	23½ cents pound plus 30 per cent minus 20 per cent.	30.89	30-20
	More than 3 yards in length—									
	Valued at not more than 40 cents per pound.	664.50	185.00	311.79	.278	168.54	221.63	25 cents pound plus 30 per cent.	119.80	30
	Valued at above 40 and not above 70 cents per pound.	4,479.13	2,630.00	3,285.83	.587	124.94	2,085.07	26 cents pound plus 35 per cent.	79.28	30
	Valued at over 70 cents per pound.	5,897.59	5,459.00	5,597.39	.926	102.54	3,989.92	26 cents pound plus 45 per cent.	73.09	30
	Total blankets.....	53,024.90	55,832.59	41,808.12	1.05	74.88	30,336.25		54.33	30
	Flannels for underwear—									
	Valued at not more than 40 cents per pound.	18.00	6.80	6.00	.378	88.24	5.59	23½ cents pound plus 20 per cent.	82.21	30
	Valued at more than 40 and not more than 50 cents per pound.	2.20	1.00	1.08	.455	108.00	.77	23½ cents pound plus 25 per cent.	77.00	30
	Valued at above 50 and not above 70 cents per pound.	<i>Square yards.</i>								
	Valued above 70 cents per pound.	108.00	56.00	39.88	.519	71.21	42.18	23½ cents pound plus 30 per cent.	75.32	45
	Weighing over 4 ounces per square yard—	<i>Pounds.</i>								
	Valued at above 50 and not above 70 cents per pound.	27,801.00	8,434.00	7,696.81	.303	91.26	*5,143.40	do.	60.98	45
	Valued at over 70 cents per pound.	3,318.00	2,030.50	2,475.16	.612	121.93	1,388.88	do.	68.40	45
	Valued at over 70 cents per pound.	89,359.14	75,501.00	80,843.57	.845	107.08	43,649.70	do.	57.81	45
	Total flannels.....		86,029.30	91,062.50		105.85	50,230.52		58.39	30-45
23	Wearing apparel—clothing, ready-made, and articles of wearing apparel, made up or manufactured wholly or in part, n. s. p. f.—									
	Hats of wool.....	19,630.37	47,145.25	36,924.69	2.40	78.32	33,391.05	26 cents pound plus 60 per cent.	70.83	45
	Knitted articles.....	272,808.06	367,708.44	340,660.58	1.35	92.64	273,109.74	26 cents pound plus 55 per cent.	74.29	45
	Shawls, knitted or woven.....	26,855.22	48,306.25	40,800.05	1.80	84.46	35,966.11	26 cents pound plus 60 per cent.	74.45	45
	Other clothing, ready-made, and articles of wearing apparel, made up or manufactured wholly or in part.	607,264.37	1,794,681.19	1,343,644.90	2.95	74.89	1,234,337.45	do.	68.80	45
	D. R. for min.	10.00	36.00		3.60					
	Reciprocity treaty with Cuba.	48.00	97.00	63.46	2.02	65.42	51.28	26 cents pound plus 60 per cent minus 20 per cent.	52.87	45
	Total wearing apparel.....	926,616.02	2,257,374.13	1,762,093.68	2.44	78.06	1,576,915.63		69.86	45

<sup>1</sup> Estimated as weighing 8 ounces persquare yard.  
<sup>2</sup> Estimated as weighing 1 pound per square yard.

<sup>3</sup> Estimated as weighing 4 ounces per square yard.  
<sup>4</sup> Estimated as weighing 6.4 ounces per square yard.



Imports of 1911, duties, average unit of value, equivalent ad valorem rate of duty on imports, duties estimated by applying Payne proposed rates to 1911 imports, together with equivalent ad valorem rates on Payne bill (H. R. 22195) and of Underwood bill (H. R. 22195)—Continued.

Para- graph Payne proposed bill.	Article.	Imports entered for consumption, year ended June 30, 1911.					Payne proposed bill (H. R. 22262).				Ad valorem rate of duty, H. R. 22195 (Under wood bill).
		Quantity.	Value.	Duties.	Average unit of value.	Equivalent ad valorem.	Duties estimated on 1911 imports and on 100 per cent wool content.	Rate.	Equivalent ad valorem.		
24	Manufactures composed wholly or in part of wool, etc.—Continued.										
	Webbings, gorings, suspenders, braces, etc.	Pounds. 36,998.98	Dollars. 74,718.26	Dollars. 63,330.54	Dollars. 2.02	Per ct. 84.76	Dollars. 46,978.86	26 cents pound plus 50 per cent.	Per cent. 62.87	Per cent. 35	
	All other manufactures wholly or in part of wool—										
	Valued at not more than 40 cents per pound.	6,167.50	1,886.70	2,978.63	.306	157.87	2,546.90	26 cents pound plus 50 per cent.	134.99	40	
	Valued at above 40 and not above 70 cents per pound.	98,586.00	49,569.00	68,162.34	.503	137.51	49,516.86	do	99.90	40	
	Valued at over 70 cents per pound.	192,424.32	285,449.99	241,664.39	1.48	84.66	192,755.32	do	67.53	40	
	From Philippine Islands..	3.00	3.00	Free.	1.00						
	Reciprocity treaty with Cuba.	12.00	24.00	14.78	2.00	61.58	10.32	26 cents pound plus 50 per cent minus 20 per cent.	43.00	40-20	
	Total all other manufactures, n. s. p. f.	297,192.82	336,932.69	312,820.14	1.13	92.84	244,829.40		72.66	40	
	25	Carpets and rugs—									
Hand made <sup>1</sup> .....			1,866,651.00	1,152,733.82		61.75	933,325.50	50 per cent.	50.00		
All other.....			2,053,155.19	1,262,670.97		61.50	615,946.56	30 per cent.	30.00		
Total carpets and rugs.....			3,919,806.19	2,415,404.79		61.62	1,549,272.06		30 to 50	25 to 50	
Total manufactures of wool..			18,823,150.82	16,499,697.67		87.65	12,254,907.83		65.11	42.55	
Total wool and manufactures of wool.			48,395,409.34	28,982,552.58		59.79	17,467,793.10		36.09	31.00	

<sup>1</sup> Estimated as comprising one-half the imports of Aubusson, Axminster, oriental, and similar carpets and rugs.

<sup>2</sup> Includes \$3 free of duty.

This table presents a comparison of the results of this bill with those of the present law, computed on the imports of 1911, together with the rates of the bill H. R. 22195 now under consideration. I find that the reduction on raw wool has been greater than for any other item in their bill. On wool of the first class in the bill, which means wool of the first and second class in the present law, on wool on the skin, the bill makes a reduction of from 43 per cent to 28.99 per cent. For wool not on the skin it has made a reduction that is equal to 30.66 per cent.

#### USE OF SHRINKAGE FIGURE.

In my analysis I have not used shrinkage results on foreign wools in our domestic mills but the shrinkage on foreign wools in foreign mills. I find that most of the wool that comes into this country originates in South America and Australia. The shrinkage of this wool in the American mills is shown by this report to be 47.64 per cent on South American wool in our mills and 48.22 per cent on Australian wool in our mills.

Now, I have not taken those figures. They would show very much greater ad valorem rates in the proposed bill of the minority than those of the table. I know that gentlemen on that side of the House would say that the wool coming in now is "skirted" and that skirted wool does not show as much shrinkage as the wool that would come in under this bill. I find, as stated, that in the foreign mills, where they have free wool and do not import wool in the skirted condition, the shrinkage on South American wool is 59.90 per cent; that of Australia is 56.82 per cent, or an average of 58.36 per cent; and this is the average shrinkage employed in the computations of the analysis table.

Under the present act the duty upon all wools and hair of the first class is 11 cents per grease pound. The proposed Payne bill makes the duty 18 cents per scoured pound. At the shrinkage of 58.36 (the average shrinkage of Australian and South American wools in foreign mills shown in the Tariff Board report, p. 383), it would require 2.4 pounds of grease wool to make 1 pound of scoured wool.

Under the present act the duty on 2.4 pounds (the grease wool equivalent to 1 pound clean content) at 11 cents per pound amounts to 26.4 cents, compared with 18 cents on 1 pound clean content under the proposed Payne bill.

On wools which shrink 38 per cent and under, the rate of 18 cents per pound on the clean content is an increase in the rate of the present act, as shown by these figures:

Shrinkage (per cent):	Grease pound, equivalent specific duty.
39	10.98 cents
38	11.16 cents
35	11.70 cents
30	12.60 cents
25	13.50 cents
20	14.40 cents

The Tariff Board gives a record (pp. 387-391) of a representative American mill which used in a given length of time over 10,000,000 pounds of foreign wool for which shrinkage results are shown.

Of the 10,000,000 pounds used over 44 per cent (4,423,226 pounds) was Australian and South American crossbred wool, which shrunk 36.34 per cent. The equivalent specific rate on the grease pound is 11.46 cents on the basis of a duty of 18 cents per scoured pound.

In this connection the following excerpt from an article by Mr. Theodore Justice, a strong standpatter for the present tariff law, in the Daily Trade Record of December 25, 1911, will be found of interest:

The maximum protection to the American woolgrower on wool of the first class is 22 cents a scoured pound and the average duty collected does not exceed 20 cents, for the reason that as the shrinkage falls below 50 per cent the duty paid scoured cost falls with it.

Consider wools of the second class, the duty on which is 12 cents a pound and the shrinkage 27 per cent (Shropshire wool). The duty paid scoured cost is thus increased only 16 cents by reason of the 12-cent duty on the wool in the grease. Thus it is always imported in that condition.

The President hints at an average duty of 20 cents a scoured pound on wools of the first and second class as ideal. This would, in fact, be an increase on the present duty rather than a decrease, as the average between 22 cents and 16 cents scoured is only 19 cents scoured.

Growers would be delighted if the duty upon all wools could be fixed on the basis of 20 cents scoured, for they would then have more protection than they have at present.

#### EIGHTEEN-CENT RATE INDEFENSIBLE.

The 18-cent rate proposed by the minority members of the committee is indefensible from every standpoint, whether of price, cost of production, or any other that has thus far been advanced, and is an attempt to mislead the public into believing that an actual reduction is being made by the bill in the duties on wool. There are reasons for regarding it as an attempt to deceive. Among these are: (1) The minority bill reclassifies wool into two classes instead of three, as under the existing law. In class 1 are included practically all of those wools of English blood which have heretofore been grouped as in class 2. But the Tariff Board has clearly shown, as I previously stated, that the cost of production is zero in the United States for wools of English blood described in the tariff act as class 2. In order to get a comparison between the cost of production abroad and in the United States for the wools included in class 1 of the new Payne bill it will be necessary to entirely revise the board's estimate of wool cost if it is to be applicable to the proposed minority bill. By including the wool product of the 10,000,000 crossbred sheep produced at a zero cost with the wool product of the 30,000,000 sheep in the western or territory region a great reduction in the average cost of the wool comprehended in the "class 1" of the minority's bill will have been effected. The average cost of producing the wools now classified as class 1

would in this way be reduced by at least 25 per cent. This change, apparently disregarded by the minority, would, even under extreme conditions, make it impossible to sustain the 15-cent rate on the clean content of wool. This would mean that, taking the average of wool of class 1 on the basis of classification suggested by the minority bill, not more than 7 or 8 cents per scoured pound could be required to equalize costs. In the following table is presented a computation of the rates which the duties suggested by the minority indicate as being necessary to protect the wools in the "territory" region.

*Production of wool given by Tariff Board, per cent of shrinkage and equivalent scoured wool, rate of duty per scoured pound in Payne proposed bill, net cost charge per scoured pound, value per scoured pound, and ad valorem rate of duty necessary on basis of minority bill to protect western wools.*

States.	Wool (pounds). <sup>1</sup>	Per cent of shrinkage. <sup>2</sup>	Equivalent scoured wool (pounds).	Rate per scoured pound.	Net cost charge per scoured pound.	Value per scoured pound.	Ad valorem rate of duty necessary on basis of minority bill to protect western wools.
Arizona.....	1,181,882	62	449,115	18	\$0.279	\$0.408	44.12
California.....	994,687	62	377,981	18	.187	.381	47.24
Colorado.....	2,110,189	62	801,872	18	.229	.373	48.26
Idaho.....	2,340,483	62	889,384	18	.455	.476	37.82
Montana.....	3,515,417	62	1,335,858	18	.363	.484	37.19
Nevada.....	1,011,046	62	384,197	18	.108	.400	45.00
New Mexico.....	2,613,976	62	993,311	18	.218	.366	49.18
Oregon.....	1,678,993	62	638,017	18	.287	.371	48.52
Utah.....	1,901,436	62	722,546	18	.245	.455	39.56
Washington.....	391,776	62	148,875	18	+.013	.310	58.06
Wyoming.....	3,024,828	62	1,149,435	18	.326	.413	43.58
Total.....	20,764,713	62	7,890,591	18	.287	.418	43.06

<sup>1</sup>Tariff Board Report (p. 330).

<sup>2</sup>Tariff Board Report (p. 12).

The minority has made a special classification of class 3 wool, now called class 2, and has given this class a duty of 7 cents per pound, which, however, is to be rebated to the manufacturer, less 1 per cent of such duties, whenever it is worked up into carpets and allied products. Thus there is opened an immense field for fraud and deceit.

Furthermore, when these carpet wools are used in the manufacturing of the cheap clothing for the poor—and such is the case to some extent—the duty would be increased by the Payne proposed bill from the rate of the present act of 4 cents per pound to 7 cents, an increase of 75 per cent. This is a serious "joker" on the poor people of the country.

I call attention also to what appears to be another "joker" in the measure proposed by the minority. Paragraph 1 of the bill provides that the rate on class 1 wools shall be 18 cents per pound, but it also specifies that when the wool is imported in a scoured condition "the duty shall be 19 cents per pound." This is apparently intended to give an excess protection of 1 cent per pound to the process of scouring. The Tariff Board has reported the labor cost of scouring in the United States as \$0.0022 per pound. It reports the cost of material used in scouring as \$0.0089 to \$0.0085. That is to say, the labor cost of scouring is two-tenths of a cent per pound and the material cost of scouring is at most nine-tenths of a cent per pound. The total cost of scouring for the most expensive tops is only a little more than 1 cent per pound. Assuming that the board is right in its statement that the cost of making tops in England is 180 per cent of the cost here, it is plain that the difference between the cost of scouring abroad and in the United States could not be as much as five-tenths of a cent a pound. A tariff duty of less than one-half of 1 cent a pound would therefore amply protect the process of scouring, and even this would be an excessively high estimate of the difference in the cost of operation between foreign countries and the United States. It must be inferred, therefore, that the minority intends really to establish a rate of 19 cents per scoured pound on wool of the first class instead of the 18 cents which it technically provides.

The minority in their report make this remarkable statement: We have made the greater reduction of rates on the cheaper classes of goods.

My friends, did you ever hear that coming from the Republican side of the House before? [Laughter on the Democratic side.] On the face of the returns they always take care of the poor and needy, and in their report they say—

We have made the greater reduction of rates on the cheaper classes of goods.

#### HIGH RATES ON TOPS AND YARNS.

Of tops, the first advancement of wool in the process of manufacture there are no imports for last year. The present act

was so prohibitive that none came in. On wool or hair advanced—which is similar to tops—your rate figures into an ad valorem of 27 per cent.

The minority has provided rates on yarns which are as indefensible as those proposed on raw wool. In the following table have been computed the equivalent ad valorem rates on yarns, which are proposed in paragraph 21 of the minority bill. From this table it will be seen that the rates recommended on yarns vary from 45 per cent to more than 80 per cent.

*Analysis of rates of duty for yarns of Payne proposed bill (estimated on the basis of a wool content of 100 per cent).*

Items.	Rates of duty of Payne bill.	
	Actual.	Equivalent ad valorem.
Yarns made wholly or in part of wool—		
Valued not more than 30 cents per pound.....	21½ cents per pound plus 10 per cent.	Per cent. 81.67
Valued at more than—		
30 and not more than 35 cents per pound..	21½ cents per pound plus 15 per cent.	76.43
35 and not more than 40 cents per pound..	do.	68.75
40 and not more than 45 cents per pound..	do.	62.78
45 and not more than 50 cents per pound..	do.	58.00
50 and not more than 55 cents per pound..	21½ cents per pound plus 20 per cent.	59.09
55 and not more than 60 cents per pound..	do.	55.83
60 and not more than 65 cents per pound..	do.	53.08
65 and not more than 70 cents per pound..	do.	50.71
70 and not more than 75 cents per pound..	do.	48.67
75 and not more than 80 cents per pound..	do.	46.88
80 and not more than 85 cents per pound..	21½ cents per pound plus 25 per cent.	50.29
85 and not more than 90 cents per pound..	do.	48.89
90 and not more than 95 cents per pound..	do.	47.63
95 cents and not more than \$1 per pound..	do.	46.50
\$1 and not more than \$1.05 per pound.....	do.	45.48

When you come to yarns you levy three rates—21½ cents per pound plus 10 per cent; 21½ cents per pound plus 15 per cent; and 21½ cents per pound plus 25 per cent, according to value. Now, on the cheaper class of yarn, on which you fix a rate of 21½ cents per pound on the wool, giving to the manufacturer the difference between 18 cents and 21½ cents per pound on scoured wool, and then add 10 per cent ad valorem on yarns, you say that is cheaper on the lower grade of yarn. But when you figure it out on the ad valorem basis on importations it equals 99.19 per cent on the cheaper grade. [Applause on the Democratic side.]

When you come to the higher-grade yarns that go into the clothing which the rich people use you apparently put up the price and make it apparently 21½ cents on the wool and 25 per cent ad valorem. But when you figure it under the value of the yarn it makes your rate only 45.45 per cent [applause on the Democratic side], thus taxing actually, although you are pretending to do the other thing, the cheaper yarn, out of which the cloth that is worn by the poorer people is made, twice as much as you are taxing the yarn that goes into the high-priced fabric. [Applause on the Democratic side.]

#### CHEAP CLOTH HIGHLY TAXED.

When you come to cloth, instead of carrying 18 cents a scoured pound on the wool in the cloth into this bill that you have introduced in the interest of the American people—instead of charging 18 cents a scoured pound, you advance the scoured pound to 25 cents—that is, the weight of the wool content—and then add 30 per cent ad valorem. What is that equal to, when you work it out, on the importations for the last year? On cheap cloth valued at not more than 40 cents a pound, it equals 105.44 per cent. [Applause on the Democratic side.]

Mr. PAYNE. Right there, if the gentleman will permit—

Mr. UNDERWOOD. I have only 10 minutes.

Mr. PAYNE. I will take only a minute. Did the gentleman make any allowance for the amount of cotton used in making these cheap goods? Our duty is simply on the wool. The cotton is included under the present law. The rate is on the weight of the goods.

Mr. UNDERWOOD. To do that would increase the ad valorem.

Mr. PAYNE. The gentleman had better read that over before he puts it in the RECORD.

Mr. UNDERWOOD. I call the attention of the gentleman from New York [Mr. PAYNE] to the report, where he makes the statement that he had written the rates lower on the cheaper class of goods. On the higher-grade goods, valued above 70 cents a pound, you put a tax of 26 cents on the wool content per pound and 55 per cent ad valorem, which works out an



equivalent ad valorem rate of 49.72 per cent. You continue exactly what you did in your old bill. You put a high rate on the cheaper grade of goods, making it 105 per cent. One hundred per cent would include the entire cost of production, and yet you get above the entire cost of production for the poorer class of goods and put 5 per cent ad valorem additional on it, and when you come to the high-grade goods, that only the wealthy can wear, you reduce the tax to 49.72 per cent and ask the people to take that as a relief from the burdens of the present law. [Applause on the Democratic side.]

The ad valorem duty established by the minority bill is placed at from 35 to 60 per cent over and above a compensatory duty intended to fully meet the difference in material costs in the United States and in foreign countries. It would appear that the bill of the minority has been framed with little or no reference to the findings of the Tariff Board. This fully confirms the following statement made in the report of the Ways and Means Committee last summer:

When statistical data as to cost of production have been obtained \* \* \* the Republican Party has treated them with neglect and contempt, and has gone on framing tariff acts to please private interests at the public expense without any consideration whatever of ascertained facts as to the differences in cost of production.

Now, we fix an ad valorem rate all the way through. We put 40 per cent on all classes of cloth, and of course the cheapest cloth does not pay as much tax as the higher-grade cloth, although relatively it pays the same. The following table presents in detail the actual and equivalent ad valorem rates of the Payne proposed bill, clearly bringing out the real effect of the revision in maintaining high duties.

*Analysis of rates of duty for cloths in Payne proposed bill (estimated on the basis of a wool content of 100 per cent).*

Items.	Rates of duty of Payne bill.	
	Actual.	Equivalent ad valorem.
Cloths, knit fabrics, flannels, felts, and all fabrics of every description made wholly or in part of wool, n. s. p. f.—		
Valued at not more than 40 cents per pound..	25 cents per pound plus 30 per cent.	Per cent. 92.50
Valued at more than—		
40 and not more than 45 cents per pound..	26 cents per pound plus 35 per cent.	92.78
45 and not more than 50 cents per pound..	do.	87.00
50 and not more than 55 cents per pound..	do.	82.27
55 and not more than 60 cents per pound..	do.	78.33
60 and not more than 65 cents per pound..	26 cents per pound plus 40 per cent.	80.00
65 and not more than 70 cents per pound..	do.	77.14
70 and not more than 75 cents per pound..	do.	74.67
75 and not more than 80 cents per pound..	do.	72.50
80 and not more than 85 cents per pound..	26 cents per pound plus 45 per cent.	75.59
85 and not more than 90 cents per pound..	do.	73.83
90 and not more than 95 cents per pound..	do.	72.37
95 cents and not more than \$1 per pound..	do.	71.00
\$1 and not more than \$1.05 per pound..	26 cents per pound plus 50 per cent.	74.76
\$1.05 and not more than \$1.10 per pound..	do.	73.64
\$1.10 and not more than \$1.15 per pound..	do.	72.61
\$1.15 and not more than \$1.20 per pound..	do.	71.67
\$1.20 and not more than \$1.25 per pound..	do.	70.80
\$1.25 and not more than \$1.30 per pound..	do.	70.00
\$1.30 and not more than \$1.35 per pound..	do.	69.26
\$1.35 and not more than \$1.40 per pound..	do.	68.57
\$1.40 and not more than \$1.45 per pound..	do.	67.93
\$1.45 and not more than \$1.50 per pound..	do.	67.33
\$1.50 and not more than \$1.55 per pound..	26 cents per pound plus 55 per cent.	71.77

#### REMARKABLE TREATMENT OF BLANKETS.

There is another especially remarkable thing about the gentleman's bill. He got no information from the Tariff Board about blankets, and only had to wander in the dark; so that the Tariff Board is not responsible for his figures on blankets, as they gave no information.

In 1910 there were 1,849 pounds of blankets imported, valued at \$640. They paid a duty of \$598. The unit value was 34 cents, and the average ad valorem rate was 93 per cent. Now, work it out on your bill. You put 23½ cents a pound on those blankets, which would equal \$434.71. Then you put a 20 per cent ad valorem rate on those blankets which, on the \$460 value imported, amounted to \$128, making the total amount of your tax under your new bill \$662.71, as against \$598 under the present law. [Applause on the Democratic side.] In other words, the old rate of duty on blankets, as shown by these importations, was 93 per cent, and you raise it to 103 per cent.

Now, as to flannels. On the cheaper grades of flannels, those that the poor have to wear to cover their nakedness from the winter storm, valued at not more than 40 cents a pound, you

put 23½ cents a pound on the wool content and 20 per cent ad valorem. But work it out on the imports, and it is found that 82.21 per cent is placed on those flannels, against 30 per cent in our bill, and the Tariff Board did not tell you to do it, because they gave you no information about it.

But when you come to the higher class of flannels, such as some of my Republican friends will disport themselves in at the seashore when the summer breezes come and we are waiting for the Senate to pass this bill [laughter], on those flannels valued at over 70 cents you put 23½ cents a pound and 30 per cent ad valorem; but when you work out the ad valorem equivalent on the actual importations you have 57 per cent on those flannels as against 45 per cent that we put on them. In our bill we have put 30 per cent ad valorem on cheap flannels and 45 per cent on the higher grades. [Applause on the Democratic side.]

The same thing can be shown in reference to wearing apparel and other items in the bill. There is not an item in the bill that the gentleman from New York [Mr. PAYNE] asks you to vote for on which, when you work out the ad valorem rates, he has not put a higher tax on cheap wearing apparel than he has put on the higher class of goods.

#### DEMOCRATIC RATES ON CARPETS ACCEPTED.

On carpets the Tariff Board made no report, and the gentleman from New York [Mr. PAYNE] therefore, having no information, practically adopted the same rates that we had in our bill last year. He could not get information from one source, and he came to another to get it. [Applause on the Democratic side.]

Mr. PAYNE. Why do you not say that we adopted a lower rate?

Mr. UNDERWOOD. You have got a lower rate on one carpet. We have a lower rate on two other classes of carpets, but there is not much difference on the carpet schedule between the gentleman from New York [Mr. PAYNE] and ourselves, except that you give to the manufacturer free carpet wool, while we make him pay \$4,700,000 to the Federal Treasury and put the same tax on him that you do. That is about the difference. [Applause on the Democratic side.]

It is a remarkable fact that the minority of the committee, in preparing its own bill, has made the greatest change in those paragraphs that have not been investigated by the Tariff Board, notwithstanding that it professes to have drafted a bill intended to apply to the findings of the board. It has long been known that third-class wools were not produced in the United States, and hence that there was no reason for retaining the protection upon them provided for in the Payne-Aldrich tariff law. Nevertheless, when a change of this kind was proposed at the time that the Payne-Aldrich tariff was under consideration, it was rejected by the then majority of the committee. There has been no change in the situation since that time nor has there been any new developments or facts on the subject by the Tariff Board. This is fully recognized by the minority of the committee, which in the report now filed specifically states that "the subject of the cost of converting wool into carpets was not treated in the report of the Tariff Board." Inasmuch as the Tariff Board furnishes no information on the cost of conversion in carpets and there is nothing whatever that is new as to the production and importation of carpet wools, it is a remarkable circumstance that the minority, now so desirous to bring about a reform in the carpet duties, did not do so at the time when it had full power to put its views into effect. Judging from the action with reference to the carpet wools and carpets, there is more chance of securing tariff revision without a report of the Tariff Board than there is with one, inasmuch as the changes in yarns and fabrics are very much less than those made in carpets. The Tariff Board has suggested neither the facts as to the manufacture of carpets nor as to the production and use of carpet wools, nor has it made the slightest recommendation with reference to methods of levying duties upon carpet wools or the carpets made of them.

Now, excluding carpets, on which we agree, excluding raw wool and making a computation of what you have done in this bill as shown by the imports of last year, the imports of manufactures for last year, excluding carpets and wool, amounted to \$14,900,000. The duties were \$14,000,000. The equivalent ad valorem rate under the present law is 94 per cent. You make it under your bill 71.83 per cent.

Instead of making a reduction to the American people on the things that they actually wear, the things they carry on their backs, of 40 per cent, you make a reduction of the difference between 94 per cent and 71 per cent, or 23 per cent. That is the truth. That is the real fact in the case.

On the other hand, our bill works out 41.88 per cent. Here is an analysis of these facts.

Statement showing the value, duties, and equivalent ad valorem rates of the imports of 1911 for wool and manufactures of, exclusive of carpets, together with estimated equivalent ad valorem rates for the Payne proposed bill and House bill 22195.

Items.	Imports of 1911 (act of 1909).		Estimated equivalent ad valorem.		
	Value.	Duties.	Equivalent ad valorem.	Payne proposed bill.	Underwood bill (H. R. 22195).
Manufactures of wool.....	\$14,903,344.63	\$14,084,292.88	Per ct. 94.54	Per ct. 71.83	Per ct. 41.88
Wool and manufactures of..	44,475,003.15	26,567,147.79	59.73	55.79	30.15

On wool not on the skin, which constitutes about 96 per cent of the wools taxed by the proposed Payne bill, the reduction is from 45.69 per cent to 30.66 per cent, while the Democratic bill makes a reduction on this class of wool from 45.69 per cent to 20 per cent ad valorem, or a reduction of 56.23 per cent.

On manufactures of wool, your proposed bill makes a reduction from 87.65 per cent to 65.11 per cent, or 25 per cent, while the Democratic bill makes a reduction from 87.65 per cent to 42.55 per cent, or a reduction of 51.46 per cent. [Applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman from Alabama has expired.

#### APPENDIX.

[House Report No. 455, Sixty-second Congress, second session, part 1.]

#### TO REDUCE THE DUTIES ON WOOL AND MANUFACTURES OF WOOL.

The Committee on Ways and Means, to whom was referred the bill (H. R. 22195) to reduce the duties on wool and manufactures of wool, having had the same under consideration, report it back to the House without amendment and recommend that the bill do pass.

#### H. R. 11019 REINTRODUCED.

Except for the change in date of effectiveness and the correction of minor clerical errors, this bill, H. R. 22195, is identical with H. R. 11019, introduced at the first session of the present Congress. Downward tariff revision was the chief issue in the 1910 campaign. The overwhelming manner in which the Democratic Party was given the control of the House of Representatives in the election of that year severely repudiated the Republican failures at tariff reform in the Payne-Aldrich Act of 1909 and plainly instructed the Democrats to proceed at the earliest practicable moment with a downward revision of the tariff. Hence it was that upon the convening of the Sixty-second Congress in the special session of April 4, 1911, this committee at once applied itself to the work of revising Schedule K in an effort to make immediately effective the mandates of the people with regard to tariff revision.

The bill H. R. 11019 was the result of elaborate and painstaking investigations by the committee, during which was assembled and examined all the information available with regard to the production and manufacture of wool. The rates of duty worked out by the committee and embodied in H. R. 11019 were fixed without any reference whatever to protection, but with an intent to reduce the "indefensible" rates which have been so long a burden to the consumer and with the only other view to producing the necessary revenue from this schedule.

A modified form of H. R. 11019, carrying slightly increased rates of duty, was passed by the Congress, submitted to the President of the United States, and vetoed by him on August 17, 1911. The veto was defended on the ground that the Tariff Board had not completed its investigations of Schedule K. In this veto message the President quoted from his message to Congress of December 7, 1909, as follows:

"I believe that the work of this board will be of prime utility and importance whenever Congress shall deem it wise again to readjust the customs duties. If the facts secured by the Tariff Board are of such a character as to show generally that the rates of duties imposed by the present tariff law are excessive under the principles of protection as described in the platform of the successful party at the late election, I shall not hesitate to invite the attention of Congress to this fact and to the necessity for action predicated thereon."

In his veto message of August 17, 1911, the President also said:

"When I have the accurate information which justifies such action I shall recommend to Congress as great a reduction in Schedule K as the measure of protection, already stated, will permit. The failure of the present bill should not be regarded, therefore, as taking away the only chance for reduction by this Congress."

In its report on H. R. 11019 (H. Rept. No. 45, 62d Cong., 1st sess.) the committee said:

"It would be trifling with the people to give further consideration to Republican counsels of more delay in this matter, whether with regard to statistical data concerning cost of production, promised at a future date, or for any further reason."

Notwithstanding this conviction, the Democratic majority of the House of Representatives, impatient to respond to the demands of the people for a speedy revision of a schedule of indefensible rates, was forced to delay further effort in answer to the protests of the American people.

In his message of December 20, 1911, the President said:

"I now herewith submit a report of the Tariff Board on Schedule K. The Board is unanimous in its findings. On the basis of these findings I now recommend that the Congress proceed to a consideration of this schedule with a view to its revision and a general reduction of its rates."

The committee has made a careful analysis of the report of the Tariff Board in order to interpret the findings and to discover in what particulars the committee's bill, H. R. 11019, was defective or failed to adjust the duties in an equitable and proper manner. This analysis

has failed to reveal anything that requires a single change in the rates fixed in H. R. 11019, and the committee is constrained to present again the results of its investigation of last summer, as embodied in the bill presented to the House at that time.

Apparently the only real effect of the 12 months' delay in the revision of Schedule K, based upon the necessity, as stated by the President, of awaiting the report of the Tariff Board, has been to allow manufacturers another year of excessive rates and to compel the people to pay for their woolen clothing during the year about \$50,000,000 more than they would have paid under the rates of H. R. 11019.

As shown in the analysis, the data of the report of the Tariff Board have been found to be diffuse and unsystematic, to present insignificant findings, and, as stated, to afford the committee no valid reason for any change in its recommendations of last session with regard to the rates of Schedule K.

#### ANALYSIS OF TARIFF BOARD'S REPORT.

##### SCOPE OF ANALYSIS.

The following discussion of the Tariff Board's report on Wool and Manufactures of Wool is divided into three parts: (1) The general character of the report on wool and manufactures of wool (pp. 5-8); (2) the circumstances under which it was prepared, its characteristics, and the general features which entitle it to confidence or the reverse (pp. 9-32); and (3) an interpretation of the board's report, and an attempt to apply it to the tariff situation (pp. 33-66). The three parts of the discussion are necessarily independent of each other. In considering the broad question of tariff revision, a decision must first be reached as to the acceptance of the so-called cost of production theory as a basis for such revision. Conclusions on this point are made in the first part. Again, if the cost of production theory is acceptable in the abstract, or may conceivably be made so, the question remains whether the report is worked out from the statistical standpoint thoroughly and carefully so as to present trustworthy results. Finally, independent of the conclusions reached on cost of production in the abstract, and whether or not the report is satisfactory in its technique, the question will remain as to what actual significance regarding tariff duties is to be given it granting, for the sake of argument, that its conclusions are accepted.

##### COST OF PRODUCTION THEORY.

The greater portion of the report consists of a study of what is called "comparative cost of production" of wools and manufactures of wool in various countries, the chief stress being naturally laid upon conditions in the United States. The report deals exclusively with this subject, if the language be so interpreted as to include matters which are ancillary to cost of production in the narrow sense of the term. While the report contains considerable descriptive and other matter such as quotations of prices and the like, these are contributory to the analysis of cost and are evidently intended merely to enable readers to make use of the cost figures more intelligently.

It is, therefore, fair to note at the outset exactly what is meant by using the cost of production theory as a basis for adjusting tariff duties, and what validity it has as a practical guide to legislation. By cost of production the board invariably understands money cost of production, or as some economists have expressed it, "money expenses of production." These expenses of production are ascertained in various ways and for various products in the several countries studied, and comparisons are then drawn between the figures thus secured.

In passing upon the validity of this mode of procedure, it is necessary to review some familiar economic reasoning.

The view that the proper basis for tariff duties is found by comparing money costs of production rests upon the opinion that money costs represent the relative degrees of sacrifice involved in turning out commodities of a given kind in various countries. For instance, if it be assumed that a given unit of a certain commodity can be produced in England for \$1, or the equivalent of that sum, while in the United States the money expenses of production are \$1.25, it is necessary to have a tariff duty equal to the difference in these money expenses of production, or certainly to the difference in money expenses minus the allowance for variations in freight rates, in order to place the producers in the two countries upon an equal market footing. If this is not done, it will be possible for the producer in the country where money expenses are lowest to drive out of business the producer in the country where money expenses are highest. This assumption is based upon an erroneous view of international trade, and finds no warrant whatever in economic reasoning.

##### RELATION BETWEEN PRICES AND COSTS.

In certain classes of goods prices or selling values are fixed not by the cost of producing at the point of lowest cost but by the cost of producing at the point of highest cost. This is true of every commodity subject to the law of diminishing returns. In the case of such commodities, the price is fixed ultimately by the cost of producing that portion of the supply brought into existence under the least favorable conditions, provided that all portions of the supply are necessary to satisfy a given demand. Thus, if the price of wheat is 75 cents a bushel, wheat will command that figure regardless of whether it is produced at 25, 50, 75 cents, or \$1 per bushel. The price is fixed by a comparison of demand and supply, and cost of production merely affords one of the limits which ultimately determines the range of prices. This is a familiar condition in connection with agricultural commodities, in which production continues on unfertile lands, though very much better soil may be in use. The better soil does not drive the poorer out of cultivation, unless there is so much of the better as to render it unnecessary to cultivate the poorer soil. Where soils of different grades are employed, the price of the product has nothing to do with cost of production, but is determined by the cost of production of the most expensive unit of the desired supply. In these cases a study of the difference in cost of production would have no relation whatever to the amount of tariff needed to protect industries in one country against the competition of those in another.

The production of numerous commodities is carried on in countries having a much smaller natural aptness for them than do others, because the latter, which might compete successfully with them, have a far greater advantage in producing some other commodity. Thus, if State No. 1 can produce both corn and wheat more cheaply than State No. 2, it does not follow that it will do so. If the former's advantage in the production of wheat is disproportionately greater than in the production of corn, it will devote attention chiefly, or wholly, to wheat—the commodity in which it has the greatest surplus of productive power. In this case a study of the difference of money expenses of production will throw no light whatever upon the amount of tariff needed in order to equalize conditions of production. There are numerous instances in which a condition of this kind exists—a country



having the decided advantage in a certain commodity, but producing it only to a very limited extent, because there is so great a field for its capital in other directions. In such cases the fact that the money cost of producing a given article in the country of great advantage is lower than in the least favored country does not prove the necessity of a tariff duty upon this article in the less favored country, because the more favored will not produce it to any considerable extent in any event.

Even in those instances where two countries are extensively engaged in producing a manufactured article, whose price is determined by cost of production under the most favorable conditions, as is the case with many largely manufactured articles, such as shoes, cloth, and the like, a difference in money cost of production does not necessarily indicate anything as to comparative competitive power. That it may do so there must be an ascertainment of the relative efficiency of labor and the extent to which given money expenses are the result of already existing tariff duties. If expenses of production have been rendered higher by tariff duties, so that the cost of producing an article is enhanced by tariff duties on the raw material, the fact of higher money expenses of production does not necessarily indicate inferiority in productive power as to that particular article.

#### VARIATIONS IN COSTS.

Beside these considerations, in every country there is a great range of difference in cost of production. Scarcely any commodity can be said to have a uniform cost of production. There is more difference, as a rule, between different factories in the same country than there is between the best and poorest factories in one country and those of corresponding grades in another. This has been amply illustrated by the work of the Tariff Board. In its report on pulp and paper the board found little difference in money cost of production between the United States and Canada in the best mills, but it did find very great difference between the best and poorest mills in the United States. The indication would have been, therefore, that while protection was not needed by the best factories in the United States against Canada, it was needed by the poorer factories against the better factories in the United States, but not against those in Canada. Owing to this variation in cost of production within the same country, it is not possible to compare in exact terms the productive power of one country with that of another.

Only averages can be taken, and these show nothing whatever as to any given case. The cost of production theory in order to mean anything must be qualified by provisions showing whether it is intended to apply to differences between the best factories in two countries, or the difference between the poorest factories in one country and the best in another. Otherwise it will indicate nothing, even upon its own theoretical basis, since a tariff which would protect the best factory in one country will not protect the poorest factory there or, perhaps, the average factory. A duty which will equalize the average difference in cost of production between two countries protects no one, since it is more than is needed by the most efficient producer and less than is needed by the least efficient producer.

Even if it be granted that an ascertainment of differences in money cost of production—whether highest, average, or lowest—would furnish a guide to the proper amount of tariff duty needed for protective purposes, the problem would remain whether money expenses of production could be ascertained in such a way as to render the method available. Experience, as well as theoretical considerations, show that this is not the case.

#### COSTS NOT ASCERTAINABLE.

The following are some of the reasons why costs are not obtainable:

1. In getting at money expenses of production they must be ascertained from books designed to show manufacturing costs. No uniformity exists in methods of cost accounting, and many factories do not employ any cost-accounting system. Cost figures obtained without cost books are of very little service. Such figures obtained from sets of books which are kept in a different way are equally of little service. This condition exists in the textile industries to a very great extent—a condition admitted by the Tariff Board throughout their report.

2. Even if money costs could be actually ascertained in an unquestionable manner and upon a comparative basis, they must be obtained not from one competing country but from every competing country, so that the average extent or scope of competition might be known against which the United States must exert its energies. It might very well be that one country would have a low-money cost of production, but this would be of little significance, as that country could not indefinitely increase the amount of its production.

3. Even if the facts could be accurately ascertained for all competing foreign countries, the figures would be of little service as a guide in fixing tariff duties, because it would not be known in any given case whether such costs afforded the basis for fixing prices. Wherever monopoly conditions obtain, wherever the export-price system exists, and wherever patents are an important factor in production, the mere ascertainment of the cost of production is of little importance. It is far more significant in such cases to know the range of actual selling prices over a long period.

4. Inasmuch as differences in money cost of production have no particular significance unless they correspond to relative sacrifice of labor and capital, and inasmuch as they do not thus correspond except in countries whose price levels are about the same, there is no safe conclusion to be drawn as to the extent to which a country possessing a low-money cost will be able to undersell or compete with a country subject to a high-money cost.

#### FUTILITY OF INQUIRY.

For these reasons the effort to obtain detailed money costs of production as a basis in fixing rates of duty must be considered futile, even if it could be successfully carried out in the inclusive way spoken of. While it is perfectly true that manufacturers are always eager to know the cost of production in the plants of their competitors, they are not desirous of giving their own, because they recognize the fact that unless they can keep costs down to an average level they are likely to be displaced. In international trade the question of competition is not raised between individuals, but between groups of individuals, in the two countries. This is, therefore, an entirely different proposition and one which has comparatively little reference to the question of money cost of production. When the statement is made by advocates of the money cost of production theory that a duty is desired which will not only equalize costs, but also allow for a margin of reasonable profit, the difficulty is intensified. At all times there are some producers who may be carrying on business at a loss. If it be intended to have the duty sufficiently large to enable the poorest producers to obtain, theoretically, a reasonable profit, an excessively

high rate is indicated, and this allows the more efficient factories to get very much more than their reasonable profit.

The situation is clearly brought out in the case of railroad rates, where the effort is to fix the rates upon a reasonable basis; yet this almost invariably results in giving to the well-built and efficiently managed roads too large a margin of profit, while it does not give sufficient margin to those overcapitalized, badly constructed, or inefficiently managed. The addition of a reasonable profit over and above the difference in the cost of production very greatly complicates the problem and renders what was already impossible in theory positively absurd in application.

#### REPORT NOT A TARIFF DOCUMENT.

Probably the most striking feature of the report of the Tariff Board is that it contains little with reference to the tariff. It is primarily an analysis of the money expenses involved in the production and manufacture of wool. With the exception of a brief section relating to the question whether raw-wool rates should be levied on an ad valorem or specific basis, and with the further exception of the study of shrinkage in wool which is presented as ancillary to the question of ad valorem or specific rates, the report has nothing to say respecting the tariff and its effects either upon capital or labor, or upon the consumer as he is affected by prices of goods. The report as now published and before Congress consists of four volumes. The first is a so-called "glossary," in which are given explanations of the meaning of terms used in connection with tariff legislation, production, importation, consumption, and the like, for the United States and other countries. The second volume includes a study of the cost of producing raw wool, the third a study of manufacturing costs in the woolen industry, and of costs or outlays in the ready-made-clothing trade.

The fourth volume undertakes a study of wages and efficiency in the woolen and worsted business of the United States. At a later point occasion will be taken for a more complete analysis of certain portions of this report.

#### VALUE OF REPORT.

Volume 1, containing the message of the President, letter of submittal, summary of findings, and glossary, will undoubtedly be of use in explaining to the public the significance of the existing tariff and of the terms used in it. The volume probably contains little that was not already available to any Member of Congress who chose to avail himself of the facilities at his command. It is essentially a clerical or library compilation from printed sources, and as such affords little of service to the practical legislator other than its convenient form.

Volume 4, wages and efficiency of labor and machinery in the United States, treats a subject which has already been exhaustively discussed by the United States Immigration Commission in reports on the woolen industry, and the Tariff Board undoubtedly drew upon this source. Whatever may be the intrinsic value of this volume and however serviceable it may be to students for reference, as a contribution to tariff discussion at the present time it has no value, because it does not contain, or profess to contain, comparative material on efficiency in foreign countries. It deals only with American conditions. Taken in a general way, as showing the status of labor in the woolen and worsted industry, it is less comprehensive than the reports of the Immigration Commission. The board has carried the study of earnings in some instances to a more advanced point than the report of the Immigration Commission, yet this has not materially contributed to the usefulness of the report. This refers particularly to the question of wages per hour, per unit of product, etc., data for which are not found in the Immigration Commission's report, but which, whatever may be thought of them, can not aid now, because of the entire lack of comparable data.

Volume 3 contains a discussion of manufacturing costs, tops, yarn, and cloth, and ready-made clothing. About one-fourth of the volume is devoted to a study of ready-made clothing—a subject fully covered by the Immigration Commission in a report prepared at great expense which has been available for some time. The ready-made clothing report of the board contains an analysis of cost by sample or specimen pieces of clothing, of which a more complete discussion will appear later. But, without going into the question of the ready-made clothing inquiry at present, there seems to have been no good reason for devoting to this subject the attention given it by the board. The principal discussion has related to the duties on raw wool and manufactures of wool. The rates of duty on ready-made clothing have been of relatively little importance. Our imports of that article have not been large, amounting to only \$1,776,236 during the fiscal year ending June 30, 1910, and would not have been large in any event on account of differences in style. As the board itself points out, the industry is highly competitive, and may be regarded as a minor factor in the tariff issue. Apparently the chief reason for this inquiry was the opinion that it would show the cost of woolen goods to be but a very small factor in the cost of ready-made clothing. Waiving this issue for the present, it may be concluded that, so far as the question of tariff rates on wool and manufactures of wool is concerned, that part of the board's report which relates to ready-made clothing is largely irrelevant.

#### SIGNIFICANT FEATURES OF THE REPORT.

Those portions of the report which have a bearing upon the immediate question before Congress and which should be studied in relation to the problem of the tariff are comprised in Volume II and in the first half of Volume III. Included in these volumes is much that has no immediate bearing on the subject. The "Notes on sheep ranching in the West," for example, are fragmentary and contain no direct references to comparative costs that throw light upon the tariff. In the second volume of the board's report, which deals with raw wool, the material deserving of consideration is comprised within pages 300 to 541, a total of 241 pages, while in Volume III, on manufacture, the significant portions are included in the 223 pages between pages 619 and 842. Even on the pages quoted there is much that has only a very general bearing upon the subject of industrial costs, and of this a rather large proportion has been previously published either in this country or abroad, thus being already available to those who might wish to examine it; in many instances material so published was already in the files of the Ways and Means Committee. Practically all of the material as to prices, imports, exports, and foreign conditions was readily available, as was also a large part of the information on shrinkage.

#### COSTS OF CAPITAL AND NATURAL AGENTS.

Throughout its investigation of costs of production, the Tariff Board apparently considers the maintenance of the existing tariff, or something approximating it, fundamental and necessary. Thereby it adds very greatly to the "cost" stated as representative of the necessities



of the American wool and wool-manufacturing industry under existing conditions. This is an error which runs consistently throughout the whole report and which needs to be considered very carefully in order to realize the far-reaching character of the modifications which it involves.

Fundamentally, the mistake of the board in considering the tariff as a permanent feature is found in the attitude it adopts toward the cost of capital and of natural agencies. Starting with the raw-wool industry, the board regards the cost of land or the price paid for the use of it as an integral element in wool raising. In Volume II (p. 309), under the head "The problem of land values," the report says that in some regions "the sheep owners possess but little land, often only enough to give them control of water rights, etc., while in other parts the land owned by them represents a large investment and occasions a heavy charge against the sheep; but all the flock owners depend to a greater or less extent on land which they do not own."

In getting at the method employed in dealing with this question of land values, the board allows a charge against the sheep designed to cover the grazing value of the land. This allowance "has been determined on the basis of prices actually paid for the use of similar land leased or rented in the same region." It is apparently included in the estimates of cost under the head of "Miscellaneous expenses." Here is a mistake similar to that made by the board in its report on pulp and paper. The value of land, whether estimated as a lump sum, as a rental, or partly, as in this case, a grazing value, is determined solely by the demand for the products of the land and the consequent price that can be obtained for such product. A farm is worth \$50 an acre for the sole reason that the products raised on the farm can be made to bring an income, which, all things considered, will pay interest on \$50 per acre. Grazing land leased for the use of sheep owners will bring 20 cents an acre merely because of the fact that the sheep are there and there is a demand for the land, but the grazing demand is due to the fact that the industry is being carried on subject to tariff protection under conditions which enable the owners of land to exact such a charge. Reduction of the tariff would eliminate this payment so far as based upon a fictitious or artificially established value.

In the case of pulp and paper, it was found by the board that one reason for the high cost of paper in the United States was the fact that paper makers charged themselves the prevailing rate for pulp wood, and so recorded this charge on their books as an element in cost, notwithstanding that the woodlands were owned by themselves and had been bought years ago at a low figure. They increased in value merely because the scarcity of wood produced by excessive tariff protection rendered it impossible to get the wood without paying an abnormally high price, which in turn raised the value of the land. This enabled the paper manufacturers to claim that the high price which they paid themselves for the wood was really no more than was necessary in order to pay the interest on their investment in the woodlands. It was a clear case of the use of the tariff to maintain an artificial or monopoly value. A somewhat similar condition is seen in the allowance for grazing cost which is included by the board as an integral part of the cost of raising wool. No progress can be made in studying the tariff problem so long as this point of view is adhered to, for the very basis of the argument assumes the continued recognition of artificial values of capital and natural agents from the very moment they are established through the imposition of an excessive duty.

#### TREATMENT OF IMPROVEMENTS.

The kind of error just discussed is also seen in the treatment by the board of improvement and equipment. The board has ascertained the value of improvements apart from that of the land and then allowed a 10 per cent depreciation. It points out (p. 310) that many articles of equipment depreciate rapidly on account of their nature or carelessness in their use and there is good reason to believe that carelessness has been of much importance in raising the cost of wool production in the United States. Highly protected as the industry has been, producers have not exercised the same moderation in investment nor have they kept the industry upon the careful business basis that foreign countries have. This is borne out by the board's addenda on sheep farming in the various wool-raising sections of the country (pp. 545-616 in Vol. II). In the notes on sheep farming in the Western States (pp. 593-608), conditions are indicated which show that the industry is not upon the same businesslike basis existing in foreign countries. In many instances the business is not under the personal management of the owner, and the result is a large advance in cost of production because of the expensive methods of conducting the enterprise. The same situation, probably in an aggravated form, is found in the more eastern districts, where the raising of sheep is frequently a side issue and no serious attention is given to carrying on wool raising upon a well-organized footing.

This means that the allowances made by the board for investment, equipment, etc., do not afford a good guide to the real cost of production, inasmuch as they fail to show conclusively that such costs are the lowest that can be secured. There was the same situation in the paper industry where much of the cost of capital was due to the fact, there clearly set forth, that the machinery employed in many mills was obsolete in character and therefore cost much more to run than did that in the more recently built mills. Canada's advantage over us was found to be in part due to the fact that as the industry was more recent with her, nearly all of her mills had installed modern machinery. Likewise the tariff has guaranteed a home market for wool, and practically closed it to outside wool so long as any domestic product could be offered in competition, so stimulating and confirming wool raisers in careless and uneconomical methods of doing business, whereas under more competitive conditions they would have cut their costs at all points where reasonable savings could be made.

In this connection it is worth while to note that in Texas, New Mexico, and Colorado, where the industry is presumably upon a decidedly commercial basis, the laborers required in carrying it on can be employed, according to the board (p. 593), "at very reasonable rates," the laborers being largely Mexicans. In California, Mexicans and Basques are largely employed, and in not a few other States foreigners are engaged in the work at low wages.

The alleged higher cost of investment and equipment can not be explained by a larger amount of capital needed on account of excessive sums tied up in wage payments, but must be explained in the way already indicated. The board makes something of a point of the fact that no allowance is made for interest on capital invested. It is a fact, however, that every other possible allowance is made for capital used and, as thus indicated, is made at a high rate.

#### ERRONEOUS FIGURES ON MANUFACTURING.

The error of constantly regarding the tariff as a necessary factor in cost is found when the industry is studied from the manufacturing

standpoint. There the tariff element is allowed to figure in connection with the cost of building and equipping a mill, which is found to be very much higher in the United States than abroad, amounting probably to double the outlay necessary there for that purpose. The report states (p. 705) that "a very important element in woolen and worsted manufacture is the erection and equipping of the mills and the comparative cost in the United States and abroad." It then furnishes detailed estimates of comparative costs, contrasting the United States and England. Differentiating between buildings, machinery, fire protection, equipment of all kinds, etc., a woolen mill with 14 sets of cards is found to cost in the United States \$506,941 as against \$339,854 in England, a higher cost in the United States, according to the board, of about 49 per cent.

In the case of a worsted spinning mill the increased cost rises to 67 per cent and in case of a worsted weaving mill to 43 per cent. The board admits that the machinery needed, when landed on the wharf in this country, will cost from 60 to 65 per cent more than in England and that about 87 per cent of all machinery is imported. As the machinery represented about one-third of the total cost of building and equipping the plant, this item alone accounts for much the greater part of the additional expense of a fully equipped plant. The tariff on machinery is thus allowed to figure as a fundamental proposition in the cost of carrying on the industry; nor do we find any suggestion or estimate as to how much would be saved to the business if this entirely unnecessary element of expense should be eliminated. The fact that this element of cost, due to excessive outlays for fixed capital caused by high-tariff duties, is cumulative and runs throughout the estimates of the board can be realized by an examination of the tables in the report. Although there is no explicit statement that the cost of production is figured upon a basis which recognizes this outlay as permanent, it is plainly conveyed in the statement that the higher cost in the United States for machinery and buildings is a "very important element" in the outlay called for.

#### LABOR COSTS.

Analyzing the problem of labor costs in the United States and elsewhere for the various products which are taken under consideration, accuracy can be secured only by investigations covering a considerable period of time. The board, however, has obtained either costs, taking them from the books of the mills, for comparatively short periods, or else estimated costs on samples. These methods of working imply that it has not been positively known whether the amount laid out for labor represents approximately a normal percentage of total cost. Very large variations in the costs of different classes of products are found by the board. These are frankly explained on the ground that in some cases the mills were running full time, while in others they were not.

Where they were not running full time, the labor cost was necessarily a different percentage of the total than when the mills were running full time. In the latter case a larger sum of money was paid in wages and a larger number of units of product were manufactured than in the former, yet practically the same sum in each instance was expended in overhead charges, rent, interest, fixed expenses, etc. Thus, the relation between overhead charges and labor cost was materially altered, and the percentage of labor cost to total output was necessarily made to appear different in the two cases. The board states that in order to meet this difficulty it adopted the plan of assuming that mills were running on full time with a normal total output.

Such an assumption is not necessarily correct, and leads to serious errors which could be avoided only by securing costs over a normal period of actual production. In England, where the costs for tops, yarns, and cloths were obtained almost entirely by the sample method, it was, of course, impossible to know anything about the relation between the cost on a basis of full-time production and that on part-time production. On the assumption that mills were running on full time the tendency is to lessen the percentage of labor cost in the product, provided the figures extend over a period long enough to show the actual relationship between labor cost, capital, and material cost. That is to say, if costs were obtained from a mill running full time, other mills working only part time being disregarded, labor cost would undoubtedly be shown as a relatively smaller allowance per unit of output. Where, however, costs are figured on the sample basis, the assumption that the mill ran more time than it actually did, necessarily implies the payment of a larger sum in wages than is actually the case, while outlays for fixed expenses remain the same in the one instance as in the other. The abstract relationship between outlays for fixed capital and outlays for labor, on a basis of full-time production, therefore, tends to increase very materially the percentage going to labor.

Thus assume, for example, that a given sample of cloth is presented to a mill making it, and the mill is asked to furnish costs relating to the sample on the basis of a day's production. It may be assumed that the capital cost or fixed charges of the plant for a year are represented as 300, while labor costs are represented as 500, and raw materials as 200, a total of 1,000 units of outlay. In this case labor outlay constitutes one-half of the cost of operating the plant over a specified period. Now, assume that these figures are obtained as result of experience, which shows that the mill is idle one-fifth of the time. If the mill ran full time there would be a corresponding increase in outlay for raw material and labor, but not for capital costs. Now, if samples were used as a basis for cost analysis on a specified date, the relative proportions of labor, raw material, and capital costs would be different from those which would exist when a period of idleness was involved. The labor cost would assume a much larger proportion of the total expense than it would under the other circumstances. Throughout the board's figures there is an effort to give labor costs in some detail and to make it appear that the differences in labor cost between, say, England and the United States are an important reason for differences in cost of production. Thus figures are frequently submitted to show the importance of labor cost and the fact that labor is much more expensive per unit of product in this country than it is in England or the Continent.

#### RAW-WOOL SCHEDULE.

In preparing the figures showing cost of raw wool the board has adopted the plan of ascertaining value of improvements and equipment, depreciation, losses, expense of operation, and receipts. Then the receipts are deducted from expenditures and the remaining balance is divided by the number of pounds of wool secured from the flock to which the expenditure applied, the result being a figure designated as the net charge against wool per pound. This is then taken as the basis for estimating the competitive position of the woolgrower. It is evident that anything which would alter the allowance for expenditures or the receipts would materially alter the ultimate figure used as the net charge against wool. This calls, therefore, for a careful analysis of the



sources of income and expenditure with a view of ascertaining how far different elements are of importance in connection with the conclusions arrived at. Such an analysis shows that the chief items of receipts are those from wool, and "from other sources." A comparison of the figures shows that in very many cases the receipts "from other sources" are much larger than those from wool. Consequently, there is a much larger opportunity in these instances for varying the income through changes in prices affecting other classes of products than changes affecting wool.

For example, in Table 18 (p. 364), which gives the results of a study of about 30,000 pounds of wool in the Ohio region, the total receipts "from other sources" were \$11,326, against receipts from wool of \$6,859. This made a total of \$18,185, of which more than 60 per cent came "from other sources." Thus it is clear that slight changes in the price of mutton, alterations in freight rates, and the like might fundamentally alter the net charge against wool at almost any time. In other words, the showing of net charge made by the Board, however correct it may have been at the time it was computed, is not correct for any other date, and is subject to modification and alteration of an extensive character.

#### INVESTMENT IN FLOCKS.

Although the board gives the cost or net charge against wool without reference to the allowance for capital, or, as they express it, "interest not included," the amount of capital invested per head is given in the form of a series of estimates (pp. 315-325). These show wide variations in the amount of investment, and the rate of income on capital is figured upon the basis of the capital per head, as shown in the column which has that caption. It is clear that the conclusions to be drawn as to the percentage of remuneration now being received by the wool-grower are based upon this statement as to the amount of capital invested. This explains why the returns of the board show, in many cases, so low a relative lack of income, or even a distinct loss which is presented as a minus quantity in the column headed "Rate of income," and which seems disproportionately great because of supposedly large investment.

The question of the degree of correctness of the figures concerning the capital invested per head is, therefore, of considerable interest, if a fair conclusion as to the degree of profitability of the industry is reached. The board states (p. 313) under the head of "Income on investment," that "the investment per head of sheep has been determined by dividing the total investment, exclusive of lands, by the size of the flock. The investment in land has been excluded because of its widely varying significance in different sections and even among flock owners of the same section." To this is added a statement that "in the western United States the prevailing rate of interest varies from 8 per cent to 10 per cent; in Australia from 4 per cent to 6 per cent, and in South America from 5 per cent to 6 per cent." This is an apparent effort to show that the cost of getting capital in the United States is higher than either in Australia or South America.

An important feature of the discussion is the fact that the valuations assigned to the capital invested are, in many cases, necessarily estimates, based upon the worth of certain elements of capital, as valued from the standpoint of earning power. The large investment of capital in the sheep industry is, therefore, more or less the result of estimate or imagination. It is dependent upon the return that could be realized by the use of the capital supposed to be employed there if it were to be turned into some other channel. Very little attention need be given, therefore, to the question of the rate of return on capital invested in the sheep industry, particularly as the figures given by the board show a variation from losses of 25 per cent to profits running as high as 35 and 40 per cent.

#### ANALYSIS OF EXPENSES.

The expense of raising wool is figured under different groupings already suggested, including miscellaneous costs and costs of labor, forage, shearing, and selling. A study of the tables (pp. 315-332) indicates that expenditures for labor were in many cases a very small percentage of the total outlay, while expenditures for forage, although sometimes greater than those for labor, were also a relatively small percentage. Thus, a summarization of Table III (p. 318) showed for 807,775 sheep, yielding 5,459,088 pounds of wool, a labor cost of \$494,498, a forage cost of \$311,731, and a miscellaneous expense of \$754,784, or a total expense of \$1,561,013. This shows that about one-half of the expenditures figured in the raising of wool are not specified for the several flocks reported, but are grouped as miscellaneous. Such a condition is found generally throughout the tables of the report. That being the case, it is not possible to form an accurate idea of the methods employed in securing the results, since it is not practicable to determine how the miscellaneous expenses have been made up, or how far the items included are correctly computed in the various cases studied. The danger in the situation is seen when the board attempts to work out the net credit to or the net charge against a pound of wool.

So wide a discrepancy would be obtained by changes in the forage figures, designed to adjust the cost to forage prices on the farm, and to market prices, that the board feels constrained to present two series of estimates, one showing the net charge against wool on the basis of the market price of grain and hay, and the other the net charge against wool when the grain and hay used have been taken at the average cost of production of such grain and hay. The theory in the first case is that, since the farmer could sell his grain and hay at the market price, he should be allowed such market price when he used them in his sheep-raising enterprises—a theory which was accepted by the board in connection with the wood-pulp and paper inquiry. The other view is that the charge for grain and hay should be on the basis of average cost, inasmuch as the cost of raising sheep is a continuous process, and the grain and hay produced on the farm are merely items in that process, and might or might not have been sold at the actual market price.

The fact is that not all farmers either buy or raise the whole of the forage they need, but they buy some and raise some, so that the question of actual cost of these items in the production of sheep can not be correctly measured on either basis. Nor can it be correctly ascertained by averaging the two, since there is no basis for arriving at such an average. It must be concluded, therefore, that the figures of the board leave the inquirer uninformed as to the proper basis of charge against wool for cost of production, since they do not establish any basis for figuring the actual cost of production in such a way as to bear analysis. This alone indicates that the presentations made by the board can not be regarded with confidence. That the board has taken the net charge against wool as established on the basis of cost of production of grain and hay does not necessarily show that the cost of production has been underestimated, since it is not known how the cost of production of such grain and hay was established. So far as can be ascertained, the

board throws no light upon the plan followed in computing this result. The only explanation afforded on this point is as follows:

"The value of the harvested crops fed to the sheep has been estimated in two different ways. \* \* \* By the method commonly used by most farmers the sheep are charged with the market value of the crops as representing the price which they would have brought the owner had he sold them and which he would have had to pay had he been obliged to buy them. Probably most of these flock owners, however, grow such harvested crops as they feed to their sheep, and since the allowance of the market price may involve either a profit or a loss on their production it is deemed fairer to use the actual cost of growing the hay and grain in order to eliminate intermediate profits or losses. By this method the sheep are charged only with the cost of raising these crops in the locality concerned during the year under consideration. This was determined by an investigation by the Bureau of Statistics of the United States Department of Agriculture, and the figures so compiled are used in the subjoined tabulations."

Unfortunately it is not possible to judge of the accuracy of the statistics given by the board without knowing the method pursued in estimating the cost of production. No data are furnished in this connection.

If, however, it be true that the board has obtained the correct cost of producing hay and grain, the profits in farming must be very large (if market prices are correctly stated). Computing the expense of wool production at the market price of hay and grain, 37,734 pounds of wool given in Table 13 (p. 357) would average 58 cents per pound, while computing it at the average cost of production of grain and hay it was found to be 40 cents per pound. This would be a difference in the net charge of 45 per cent. If a shift from cost of production to market price, or vice versa, which affects expenses covering only one-fifth of the total outlay, could produce so great an alteration as this in the costs, a presumption of serious doubt is raised as to the accuracy of the figures.

#### FAILURE TO SEPARATE WOOL COSTS.

It has already been noted that the board has not definitely separated wool costs from the other costs involved in sheep raising. This is frankly admitted by the board in connection with the figures supplied as to the net charge against wool. It is stated (p. 313) that "we have considered wool as the chief product and the receipts from mutton are offset against costs." Again (p. 313), "The receipts from wool, minus the net charge against or plus the net credit to a pound of wool, constitute the net income of the business; and the percentage which this sum bears to the capital invested is the rate of income on the investment." It is clear from this that any cause which changes the selling price of mutton necessarily changes everything that has been stated with respect to the cost of wool, which is thus made dependent not upon actual money costs but upon the market prices realized for an entirely distinct commodity which is necessarily raised in connection with the wool, the cost of which is in question. The analysis made by the board in this connection implies two distinct features of the situation which should be considered in ascertaining the meaning of its figures. (1) The board's study shows that numerous changes are occurring in the United States in regard to the demand for mutton and the price received for it, and these indicate that sheep owners who are disposed to raise the mutton type of sheep can convert their industry into a much more profitable undertaking than those who insist upon raising merino sheep.

This is indicated by the fact that the crossbred sheep, returns for which were studied in the Middle West and Southwest, were found to pay the cost of the support and management of the flock before anything had been realized from wool, so that the income from wool was clear gain to the farmer. There is nothing to suggest that the same type of sheep raising should not be introduced in Ohio with a consequent reduction in the cost of producing wool. (2) The changes, according to the board, which are taking place in the price of mutton in foreign countries will inevitably alter the conditions examined there, determining the costs of producing wool. As the board states (p. 343), "the decline in the profits of wool production has, however, been accompanied by an increase in the demand for mutton, resulting from the fact that the production of pork and beef has not kept pace with the growth of population. And at the same time the development of refrigerating facilities has made it possible for the flock owners of countries which, like Australia and South America, are far from the centers of population, to market their mutton." Again the board states (p. 346), "In Australia the receipts from mutton constitute a much smaller proportion of the receipts from other sources. This is partly due to the fact that the great sheep runs of the interior are unfavorably situated as regards marketing, but in a larger measure to the fact that these growers place greater emphasis on the production of wool than on that of mutton and run their flocks accordingly."

Finally, the board says that—  
"Should the industry cease to expand, the receipts from other sources would be very seriously reduced and the loss could be repaired only by developing the mutton side of the industry, which would involve modifications of the flock and the finding of a market."

It would appear, then, that in the United States there is a much better position for an increased income from the flock through sales of mutton than there is in Australia, and what is true of Australia is also true of South America. A western farmer in the United States is advantageously placed for sending his sheep to market; and for raising the mutton type of sheep, at least in certain portions of the wool region. The Australian producer of the interior is not only not very well situated for the purpose of getting his mutton to market, but he also has to bear the heavier expense of refrigeration. In addition, the mutton of the United States is protected by substantial tariff duties, against which the foreign grower, if he wishes to sell in the United States, must compete.

The inference is apparent that from the increase in prices paid for mutton the sheep industry of the United States will tend in the future to rely more and more on this element of income and less and less on that which comes from the sale of wool.

It is worth while to note that in the western, or "Territory" wool region, the States which show a very high cost of production or net charge against wool are those in which the mutton type of sheep has been relatively little developed. The board's figures indicating cost of production or net charge against wool (p. 331) show that the highest costs in the Territory region are those in Idaho, Wyoming, and Montana. The board's analysis of the composition of the flock (p. 348) shows that in Wyoming among the rams of the flocks 63 per cent were of the merino type and 37 per cent of the mutton type, while among the ewes 90 per cent were of the merino type and 10 per cent of the mutton type. In Montana 42 per cent of the rams were of the merino type and 58 per cent of the mutton type, while 55 per cent of ewes were of the merino type and 45 per cent of the mutton type. The



lowest cost of production reported by the board in this region was that for the State of Washington, where the wool was practically clear gain. In that State 82 per cent of the rams were of the mutton type and 18 per cent of the merino, while all of the ewes were of the merino type. As stated by the board:

"The importance of the merino blood in the three great wool-producing States of Australia is indicated by the following percentages:

"In New South Wales about 85 per cent of the rams and 90 per cent of the ewes are pure merinos. Of the remaining sheep, while some are pure-bred sheep of the mutton type, by far the larger part are crossbred with a merino foundation. In Victoria, which is the chief mutton-producing district of Australia, 84 per cent of all the sheep are either pure merinos or crossbreds with a merino foundation, and in Queensland 96 per cent of the sheep are pure merinos."

Summing up, the board finds it impossible to separate costs of wool from costs of mutton, so that no positive conclusions can be drawn with reference to the future development of costs, unless both are considered in their relation to each other. Considered in that way, the net charge against wool in the future, if figured on the same basis as employed by the board, will be largely influenced by the showing made regarding mutton, consequently it is reasonable to expect an increase in advantage for the western United States over the more distant countries, from which the exportation of fresh meat is more costly and difficult.

#### CRITICISM OF TOP STUDY.

The data for cost of tops were obtained by the board through the use of a form, "Schedule 2, Top making," the appropriate part of which is found on pages 631-632. On this form returns were sought regarding raw wool and other stock used, etc., price per pound, total cost of stock, and cost per pound of tops. Credit for nolls and wastes is then given, and a provision is made for a net total. In the second part of the schedule space is given for data on sorting, blending, scouring, carding, combing, dyeing, and general expense. This gives the total conversion cost, and added to the cost of stock gives total manufacturing cost. Pounds of material entering into each process, productive or direct labor used, nonproductive or indirect labor used, department materials used, total cost, and cost per pound of tops are shown for the items in the second part of the schedule. In assembling the data from the various schedules the board finds the first difficulty in that the data it obtains are not comparable. It notes that the term "top maker" may be used in two ways, the one applying it to a merchant who purchases raw wool and sells tops to worsted spinners. He may have a plant of his own for combing the wool or have the combing done on commission.

The second definition regards the top maker as a manufacturer who makes tops as an intermediate process in the manufacture of yarns and woollens. The difference in the two instances is that in one there may be a profit for an independent operator, while in the other there may be a loss. Another element of difficulty in the comparison is that "in foreign countries wool combing is done very largely on commission, and there are great establishments whose sole business is the turning of the wool for their customers into tops and nolls for a given fixed charge." This is done only to a limited extent in this country, the more general practice being to make the tops in the woolen mill itself (p. 640). Admitting the attending difficulties, the board says that "there are certain costs which inhere in the one method and not in the other" (p. 640), while "the commission rate for combing would under normal conditions cover not only interest on the plant, but whatever profit the combor is able to make besides" (p. 640). Moreover, the board has found difficulty due to the fact that the cost of manufacture differs materially with the character of the wool. Finer wools require more careful treatment in scouring and also a slower speed of the machinery, thereby reducing the output and increasing the cost per unit. It is, therefore, as the board admits, "difficult to tabulate figures giving an average which can be taken as representative, since the variation in the qualities of tops made is so great."

A third difficulty is found in the fact that the proportion of tops and nolls secured from the process differs considerably per pound of tops. Charges for commission combing in England differentiate the charges according to these relative percentages, the charge increasing as the proportion of nolls increases. Again, difficulty is found in getting at costs as a result of the difference in output. In one mill the average cost for all tops (covering a six-month period) was 4.28 cents per pound, while for another six-month period in the same mill the average cost was 9.37 cents per pound. This difference was due to the fact that during the first period the output was three and one-half times greater than in the latter period, when a part of the machinery was idle and the fixed and overhead charges continued the same. The board has therefore attempted to estimate the costs so far as possible on a basis of running full time; but this must be erroneous in many instances, particularly so when the attempt is made to institute comparisons between conditions in different countries. Although the board presents (p. 642) a series of actual returns showing the cost of producing tops in this country during successive periods at given mills, it does not apparently accept this statement as representative or final. On the contrary, it states that in taking the actual figures on a large output it is impossible to separate labor costs according to the exact quality of the tops (p. 642).

On page 643 is given a table showing the cost of making a very fine quality of tops, and on page 644 is given the cost of combing in a continental plant running on fine Australian merinos and South American crossbreds. Apparently, then, the returns in this plant should have been comparable with those in the American plant or plants represented on page 643. In the latter table the cost of converting choicest Australian wool into tops was \$0.0732 per pound, while in the continental plant the highest cost of combing was set down as \$0.04459. In spite of this relationship the general conclusion is reached that "the cost of making tops in the United States is about 80 per cent greater than abroad," notwithstanding that the bulk of the tops discussed by the board are of the finer quality which cost only 55 to 65 per cent less to produce in England than here, the lower grades of tops being entirely excluded under the present prohibitive tariff, so that no basis of comparison can be obtained. The general criticism upon the top study, therefore, must be (1) its lack of reduction to a comparable basis; (2) its failure to get standard costs on standard qualities in the United States, or to show the cost of converting an actual sample of Australian wool, or other wool, into tops in England and in the United States. The figures on tops are, in a very high degree, variable and conjectural, being at best little more than an approximation to the facts, and practically admitted to be such by the board.

The fact that in not a few instances a variation of as much as 100 per cent in the production costs is noted, not only for a definite article in a definite place but at two different periods of time, should make it impossible to accept any of the figures given by the board for cost of

production of tops as at all definite or final. There is consequently no statement about the cost of making tops that can not be paralleled by another statement from the report in support of an entirely different cost and entirely different conditions of doing the work.

#### INCONSISTENCY BETWEEN COSTS AND PRICES OF TOPS.

In addition to the statistical difficulties which arise because of the top costs furnished by the board, ground is afforded for doubt regarding the cost figures by observing quotations of prices given by the board in Volume I (p. 106). The board states that "there are no regular quotations of top prices in the United States" (p. 105); and then gives English quotations (p. 106). These quotations presumably afford a basis for figuring corresponding values in the United States with due allowance for duty. The quotations given for tops of specified quality are shown in the following table.

#### Quotations in England for tops.

[From the report of the Bradford Chamber of Commerce, published by Tariff Board, p. 106.]

Quality.	1908	1909	1910	1911 <sup>1</sup> (January- November).
	Cents per pound.	Cents per pound.	Cents per pound.	Cents per pound.
Thirty-twos.....	14.7-24.8	20.8-25.4	24.8-27.9	24.8-27.4
Thirty-sixes.....	15.2-25.9	21.8-26.4	25.9-28.9	25.4-28.4
Forties.....	16.2-26.9	23.8-28.4	28.4-30.9	25.4-29.4
Forty-sixes.....	19.3-28.9	26.9-33.0	33.5-35.0	28.4-32.4
Fifties.....	28.4-34.0	33.0-41.6	39.5-43.6	33.5-38.5
Fifty-sixes.....	34.5-46.6	38.0-47.7	46.6-49.7	39.5-44.6
Fifty-eights.....		44.6-52.7	50.2-54.8	42.6-48.7
Sixties, super.....	41.6-51.7	46.6-56.8	53.7-58.3	49.7-54.2
Sixty-fours.....	43.6-54.2	49.2-57.8	54.8-59.8	50.7-55.8
Seventies.....	47.7-55.8	50.7-58.8	57.8-62.9	51.7-57.8
Eighties.....	54.8-60.8	58.8-63.9	60.8-64.9	56.8-61.8

<sup>1</sup> Quotations for 1911 from the Wool Record. In each case they are for "colonial tops." Thirty-twos, thirty-sixes, forties, and forty-sixes were "prepared" tops.

From this it is seen that the cost of number 32's runs as low as 25 cents per pound, the designation of the tops as "32's, 40's, etc.," indicating the count of yarn to which it would spin if worked up. While the board observes that "no hard and fast table of equivalents can be made of the English and American terminology for top (and yarn) qualities," it says that 64's to 70's may be taken as the equivalent of fine tops in the United States. In 1911 the prices for these qualities, as given above, ranged from 50.7 cents to 57.8 cents at Bradford, and with free wool it might be assumed that the cost in the United States would be the same plus the difference in cost of production between the two countries. This, however, would not appear to be the case, as shown by a study of prices of raw wool and cost of making tops, as furnished by the board.

It would seem that the prices in England are considerably higher than indicated by the board's study of wool and tops. If, for example, it be assumed that scoured wool is worth 50 cents a pound, it would appear that the cost in England must be at least 54 cents for this grade and could fall below that only through declines in the price of raw wool sufficient to make up for the difference. Inasmuch as the figures given by the board vary considerably from this price level, the duty required on tops of a given grade can not be considered at all stable or fixed, since the percentage relation is likely to be thrown out of adjustment by changes in the value of wool. Moreover, there is no exact table of equivalents between English and American top and yarn qualities. Hence the comparative cost figures given by the board for tops can in themselves be only approximate. As the board says (p. 106), "Wool varies so widely in quality, both with the locality where produced and with the breed and condition of the sheep on which grown, that any comparisons of qualities must be approximations." As a matter of fact, the quotations given in table 1 for such yarns as 32's at Bradford are so low as to be far below the average price of raw wool in the United States, independent of the cost of manufacture into tops. Yet the board furnishes data on the relative cost of production of No. 32 yarns from tops, apparently assuming that there is a competitive basis upon which comparisons may be made between the two countries.

#### STATISTICAL CRITICISM OF YARN MANUFACTURE.

The Tariff Board notes that the investigation into the cost of worsted yarns involves the securing of the actual book figures from mills for a given period of time showing the total quantity of yarn produced, the variety of counts, the average count, and the total expenditures for the same period. These expenditures were analyzed in order to put the different mills on a comparative basis as to overhead charges. The board also obtained the use of tables employed by worsted spinners relating to the cost of making different counts of yarn, and finally estimates were secured on the cost of making certain qualities of yarn. There seems to be no reason for doubting the responsibility of these figures under the conditions that are described. The board, however, admits that it is beyond possibility to get figures on a uniform basis. It says that "a mill running full time or overtime can produce much more cheaply than a mill running half time, \* \* \* a mill making worsted yarns in the gray is able to work more cheaply than when yarn is made from dyed tops." In order to overcome the first of these difficulties, the board assumes that all costs are to be figured on the basis of full normal output.

This gives a basis of comparison which does not overcome the difficulty that figures vary widely for other reasons, notable among which is the fact that mills do not work on the same qualities of tops and yarn. The adoption of full normal output as a basis of comparison, therefore, does not help materially, since no allowance is made for variations in the proportions of different classes of yarn manufactured. The board admits this, stating (p. 646) that "variations are found to appear not only according to variations in actual output due to general business fluctuations, but also according as a mill is producing just those yarns for which it is especially equipped."

If the market demand of the moment requires the production of either higher or lower counts, the costs on these will be correspondingly increased. Moreover, the fact that the cost of making a given count of yarn varies with the quality of wool from which it is made, and with the weight of the roving, renders the matter of comparison difficult. All these points are fully acknowledged by the board (pp. 646, 647) as



injuring the comparative basis of its computations. There is no reason to believe that the figures obtained by the board, or the figures that could be obtained by any similar organization, would show conditions on a comparable basis, either between mills in different parts of the United States or between mills here and mills abroad. They must be taken as being simply representative of costs under the particular conditions that happen to prevail at the time when the board made its investigations. Furthermore, it was not possible for the board to obtain comparable figures in England, for the reason that the interest charge was included in the English figures, but not included in the American. An allowance was subsequently made for this difference, but it does not appear to have been sufficient to cover the whole variation in the basis of the estimate.

#### INCOMPLETE YARN COSTS.

The inquiry was not sufficiently extensive from the statistical point of view to furnish an adequate analysis of the cost of producing different yarns. On page 648 are given figures for costs in 10 different kinds of two-ply yarns 28's, 32's, 36's, 38's, 40's, 42's, 44's, 46's 48's, and 60's. None of the coarser or of the finer yarns are given. When figures for England are given, they are not obtained on a comparable basis, but relate only to two-ply 24's, 28's, 32's, 36's, 40's, and 50's, as shown in the following table:

Comparative conversion cost of making certain counts of worsted yarn from tops.

[Tariff Board Report, p. 650.]

Ply and count of yarn.	England.		
	United States— Excluding interest. (Cost per pound of yarn.)	Including interest. (Cost per pound of yarn.)	For com- mission work, in- cluding interest and profit. (Cost per pound of yarn.)
	Cents.	Cents.	Cents.
2/24.....	10.86	5.6	6.6
2/28.....	12.62	6.6	7.6
2/32.....	14.48	8.1	9.1
2/36.....	16.61	9.6	10.1
2/40.....	17.99	10.6	12.2
2/50.....	24.67	13.7	15.2

It should be noted that in this table the costs of conversion per pound of yarn of certain grades enumerated are in one or two instances quoted at cost rates, which are not the same as those computed in the detail table on page 648. The figures in Table 2 appear to show a cost in the United States which is almost double that in England, notwithstanding that interest was included in the English costs and not in those of the United States. There is no statement as to whether the comparison is based upon mills which are running full time in both countries, nor is there any specification as to the character of the wool used in each case. The figures given, therefore, for the cost of converting tops into yarn are largely not comparable, as admitted by the board, and are so not only from the standpoint of quality of yarn used, but apparently also from the standpoint of conditions of production, full time or part time operation, and others. In the few cases where material is given for the manufacture of yarn of one single count from different grades of wool no comparative figures are furnished to show English and other foreign costs.

Thus on page 647 is given a table intended to illustrate variations due to changes in the quality of the material and the twist per inch. In those cases where a single quality of yarn—two-ply 30's—was being produced from half-blood wool, it appears that the total expense per pound was about 0.099 cent, while in making the same ply and count from quarter-blood wool the cost was about 0.114 cent per pound. In the first case the yarn was No. 13 and in the latter case it was No. 14. Thus was indicated a difference of 0.015 cent, or about 13 per cent of the higher cost involved in making the yarn from quarter-blood wool. It is clear that a variation of 13 per cent in the cost of making yarns, according to the wool from which they were spun, is one that should be allowed for in figuring the difference in cost between the United States and England in the later tables prepared for that purpose. Nothing of the sort has been done there, however, but the assumption throughout these tables is that in each case the manufacturing operation has been carried on with the same class of wool or tops as was employed in the competing country. This failure to put the two countries upon a comparative basis would alone be sufficient to impair very seriously the basis of estimate.

There is further reason to question the validity of the figures obtained in England, because the data there secured were obtained on a basis of samples. As the board says (p. 650) "figures of cost were secured in England from various manufacturers on actual samples." After they had thus been obtained on the basis of samples (of yarns) the returns were averaged, and the figures given "represent the average of these various calculations." As seen in the United States study, average figures of this kind, even when based upon full data for the mills to which they relate, are necessarily unsatisfactory, because they do not show, and probably can not be made to show, the cost of production carried on under similar conditions. Still less could there be this degree of comparability when the figures were made up from samples, as the furnishing of cost data on such a basis would be largely conjectural, nor could it be known how far English manufacturers were reckoning upon the same fullness of operation, uniformity of processes, and general similarity of conditions, found by the board in its American study to be essential to any accurate investigation of the cost figures for comparative use.

It does not seem, therefore, that the yarn figures furnished by the board are likely to be necessarily representative of the actual manufacturing conditions in American mills for any very considerable production, or for any very considerable period of time. When it is considered that there was still less uniformity and inclusiveness of information in the English inquiry, the conclusion must be drawn that the analysis, particularly in its comparative features with reference to yarn costs, has been quite unsatisfactory.

#### INCONSISTENCY BETWEEN YARN COSTS AND PRICES.

In volume 1 of the board's report is given the following table in which is presented quotations in England for worsted and hair yarns:

Quotations in England for worsted and hair yarns.

[From report of Bradford Chamber of Commerce and the Wool Record, published by the Tariff Board, p. 114.]

Quality.	1908	1909	1910	1911 (January- November).
<b>Worsted:</b>				
Two-thirty-twos, worsted.....	Cts. per lb. 27.4-38.5	Cts. per lb. 31.9-38.5	Cts. per lb. 39.5-43.6	Cts. per lb. 37.0-43.6
Two-forties, worsted.....	32.4-44.6	33.5-47.7	48.7-52.7	45.6-52.7
Thirties, super luster.....	38.0-43.2	38.0-43.1	43.1-45.1	44.4-46.9
Thirties, super demi.....	25.4-40.6	31.7-41.8	41.8-44.4	39.9-45.0
Thirty-sixes, super demi.....		37.3-47.2	47.2-50.2	
Thirty-sixes, demi.....	33.5-47.2			47.9-51.2
Single sixties, botany.....	60.8-73.5	64.6-74.8	73.5-83.7	71.0-76.1
Two-forties, botany white.....		65.9-75.0		
Two-forties, botany.....			71.0-77.1	69.0-76.1
Two-sixties, botany white.....	61.8-75.0		75.0-81.1	77.1-82.1
<b>Mohairs and alpacas:</b>				
Two-thirty-twos, mohair plush.....			66.9-67.9	63.9-66.9
Two-thirty-twos, mohair low quality.....			56.8-58.8	56.8-58.8
Two-forties, mohair medium.....			83.1-85.2	86.2-87.2
Single twenty-eights, alpaca.....			56.8-59.2	52.1-58.6
Single twenty-eights, alpaca low.....			48.5-49.7	43.8-48.5

This shows that worsted yarns, 2/32's, were, in January, 1911, quoted at from 37 to 43.6 cents per pound, or an average of about 40 cents per pound. On page 648 (Vol. III) of the board's report the cost of converting tops into 2/32's is given as 14.48 cents per pound. As the report states, on page 650, that the costs of turning tops into yarn is about twice in the United States what it is in England, the cost of making this kind of yarn in England should have been about 7.24 cents. This would make the cost of the yarn material, on a basis of 40 cents per pound, 32.76 cents per pound. This would be far below the average scoured wool price of Australian wool or fine wool of any kind. The board's data are admittedly given with reference to medium and high medium grades, employed in the making of cloths. The yarns from 2/28's to 2/60's cited on page 648 are given as "medium and high medium worsted yarns," and on page 113 it is stated that "30's to 40's are comparatively coarse yarns, while 40's to 56's are medium."

The difference in the price quotations as compared with figures for cost and the apparent discrepancies in nomenclature raise doubts as to the accuracy of the board's figures on one or both of these sets of returns. It appears, therefore, that the figures furnished by the board for yarns are not substantiated by the yarn prices cited in the first volume of the report. Thus, for example, on page 648, the cost of converting 2/60's from tops into yarn is given as about 32 cents, while the mean quotation of these yarns in England averaged about 80 cents in 1911. Deducting 16 cents, the cost of conversion in England, as indicated by the board, there would be left 64 cents as the cost of the tops actually entering into a pound of yarn. This cost would apply to considerably more than a pound of tops, because of the waste which has already been noted. Yet the quotation for tops given as "60's, super," is stated on page 106 as ranging from 49.7 to 54.2 cents, the mean being about 52 cents—12 cents less than the cost of the tops entering into a pound of yarn. If the board is right in saying the shrinkage in converting tops into yarn amounts to 4.5 per cent (credit being allowed for wastes recovered), the shrinkage on a pound of tops for conversion into No. 60 yarn would not be more than 3 cents at most, in which case the tops, plus cost of shrinkage, would be 55 cents instead of 64, the figure obtained by taking the quotations for yarns and subtracting conversion costs in order to work out the material value entering into the product. It might be assumed that, whereas the board's figure for conversion is a cost figure, the prices taken from English quotations are selling rates in the market and can not be exactly compared. This objection has little validity, because of the fact that the analysis just made is based on prices for yarns and prices for tops, and the allowance for profit must be about the same in both cases, so that the difference may be estimated on the basis of approximately the difference in cost.

#### Yarn quotations and conversion cost for worsted yarns.

[Cents per pound. Tariff Board Report, pp. 114, 648, and 650.]

Two-ply worsted yarn (count).	Mean quotations at Bradford, Janu- ary-November, 1911.		Differ- ence be- tween tops and yarn.	Conversion.	
	Tops.	Yarn.		United States.	England.
Thirty-twos.....	26.1	40.3	14.2	14.48	7.24
Forties.....	27.4	49.2	21.8	17.98	8.99
Forty-eights.....		72.6		23.35	11.63
Sixties.....	52.0	79.6	27.6	31.81	15.91

In Table 4 is given a column showing the quotation furnished by the board for yarns of various counts from 32's to 60's. From this is deduced a column of differences showing the amount that was added to a pound of tops of a given description by converting it into yarn. It is seen that in case of 32's, the average price was 26.1 cents for the tops, while for the yarn it was 40.3 cents. This seems to indicate a difference of 14.2 cents as the approximate cost of converting the tops into yarn. In Table 2, which is taken from the board's report (p. 650), the cost of converting tops into yarn is given as 8.1 cents, or for commission work, 9.1 cents, as against the 14.2 cents, deduced from the actual quotations. It is interesting to observe that the cost figure for the United States on this same yarn (Table 2) was 14.48 cents per pound, or not far from the cost in England, indicated by the difference of comparative prices. It might be assumed here again that the board's cost figures are for cost and not for price, but that objection does not apply to the charge for commission work, which in this case is given as

9.1 cents per pound, while, moreover, all of the English figures are given "including interest," so that they ought to correspond with the highest market charge for yarns of that particular ply and count. On the whole, therefore, it would seem to be an inevitable conclusion that the figures furnished by the board for yarn prices do not correspond to or substantiate those which it has furnished for yarn cost.

#### CRITICISM OF CLOTH DATA.

The criticisms made with reference to yarns and tops become much more serious when attention is directed to the cloth-manufacturing analysis of the board. The board not only concedes the impossibility of securing data as to the comparative costs by processes of making fabrics, but also the extreme difficulty of getting comparative figures even on fabrics. This is because (p. 627) "there are no absolute standards in the cloth trade, and each mill turns out a great variety of different fabrics." Moreover, it was not possible to get mills abroad to give costs on the same basis as in the United States, because they do not keep their books upon the same plan. It is found, therefore, that the board almost wholly dismisses the cost method of analysis when it comes to fabric costs. Instead it submits samples of given fabrics to the mills and permits them to give estimates on the cost of making these fabrics, based upon experience with similar operations, but largely conjectural, because in many instances, probably in the majority, the mills had never devoted themselves to manufacturing the particular kind of cloth on which they were asked to furnish cost estimates. As special reasons for distrusting the figures supplied through this sample inquiry, therefore, may be mentioned the following:

1. The question of uniformity and amount of output is fully as important in connection with the manufacture of cloth as in yarns and tops, yet the method pursued makes no allowance whatever for such differences, and necessarily could not do so subject to the conditions under which the inquiry was conducted.

2. There is no indication as to the origin of the wool used in the various fabrics and whether it was imported into the United States or whether it was the product of domestic sheep and was worked up at prevailing prices without the payment of duty.

3. There could be no ascertainment of the extent of profits allowed to intervening factors; as, for example, the granting of profits on tops, yarns, etc., to persons who supplied these intermediate products to the mills that made the cloth, as compared with the conditions prevailing in plants which made their own tops, yarns, etc., and then used them in cloth manufacture.

4. In many cases it was found that different methods of production were followed in the United States and abroad, the goods being differently dyed in the countries compared and a different number of looms operated in some instances in foreign countries as compared with the number operated by the employee in American mills.

These factors alone would render the data obtained untrustworthy, because they would indicate that it was impossible to obtain figures upon a distinctly comparable basis. In the absence of such a comparative basis, about all that could be said for the figures as to cloth costs at the best would be that they represented probable costs of making the cloths under varying conditions in American and European mills, these varying conditions including differences in character of machinery and speed thereof; amount of work done in the mills as compared with total capacity; character of raw material used; and source from which intermediate products, such as tops, yarns, and the like, were obtained. Even if, therefore, it should be admitted that the board's figures for tops and yarns obtained by the method of aggregate returns were trustworthy, it could not be admitted that the figures for cloths were similarly trustworthy, and least of all could it be conceded that these figures were in position to be compared with those of the earlier products obtained by the other method referred to. This produces a separation between that part of the board's report which has to do with the earlier products and that part of the report which deals with cloth. There is no foundation, either actual or professed, for considering the figures given as furnishing a complete analysis from tops up to cloth, because of the entire change of method employed in the study of cloth costs.

#### EXTENT OF COST INQUIRY IN WOOLENS.

One of the principal questions to be considered in connection with the manufacturing investigation of the board is the extent and reliability of the inquiry. The board opens its statement with the assertion that "in the course of the wool and worsted inquiry, agents of the board visited 188 different mills," and that of these 174 furnished verified information. These mills are considered to be "representative of the industry in this country," because they include practically two-thirds of its productive capacity and employ 64 per cent of the total number of persons engaged in the business.

The assertion that an inclusive inquiry has been made should be subjected to very careful scrutiny. In spite of the large number of mills visited, the board concedes its inability to secure general returns with respect to cloth. It notes that there is no possibility of discussing the cost of cloth in general because of the great variety of different fabrics, which renders such an investigation in general terms absurd. It then takes up (p. 626) the question whether or not results could be obtained by a study of processes, but it finds that this is practicable only with a certain few.

A statement of costs obtained by this method, says the board, "would be utterly meaningless" as applied to cloth, and "the same is true of worsted yarns." Only by a process of prorating various charges can anything satisfactory be obtained in yarn. In regard to cloths, even this method was found to be impossible, and therefore the board was driven to the ascertainment of costs of cloths by submitting samples to manufacturers and obtaining from them cost statements relating to these particular samples. It is evident that this sample method is entirely different in principle from any of the methods suggested by the board for the ascertainment of costs in the more elementary processes of top and yarn making and others related thereto. What the board has to say about the cost of manufacturing wool into products of various kinds may, therefore, be discussed under two heads—the one the reliability of the sample method of analysis, the other the satisfactory or unsatisfactory character of the study made of the more elementary processes.

#### STUDY OF SAMPLES.

Turning attention first to the question of samples, it is found that the board divides its samples analysis into two different groups of results. The first deals with American and foreign costs on fabrics made in the United States; the second deals with foreign-made goods of the kind imported. In the first groups analysis is made of 55 different items, data as to each of which were obtained from American and English mills, while in some cases further information was had as to French and German mills. In the second group 14 samples are analyzed for costs.

It is clear that in this analysis the factors to be taken into account are (1) how many mills were consulted with reference to the cost of these samples; (2) how representative were these mills? On these points the board throws no light whatever. It states that, after a schedule had been prepared for the analysis of costs, "our agents then visited the mills with specific samples and worked out with the proper officials the cost under each separate process. In practically all cases they were given complete access to the books in order to see by what method particular charges were made and to satisfy themselves that the estimated costs entered were based on the actual costs at the mill. By this detailed analysis by processes the estimates came as near to the actual costs as the mill itself was able to make them." In getting the foreign cost "the method adopted . . . was similar to that used in this country."

The citations make it evident that the sample study was not a study of actual costs at all. It was a collection of estimates as to the cost of making cloth at various mills, many of which had never made the cloths in question. In getting foreign costs it was possible only to obtain the same conjectural material. The report states (p. 630) "samples of identical fabrics cut from the same piece were taken to England and to the Continent. These were shown to a number of manufacturers and their estimates on the cost of production secured." They were then tested by being submitted to a cloth manufacturer, who checked them from his own experience.

The only light thrown by the board on the character of the mills consulted abroad is the statement that they were "mills of high efficiency" (p. 630). So far as can be ascertained, the board does not state whether the mills consulted in the United States were or were not mills of similar high efficiency as compared with other American mills. This makes it obvious that the board did not in any case obtain figures for actual costs from a considerable number of manufacturers in its sample investigation; that it did not obtain comparative figures, even in the mills which were consulted, for cloth of kinds which they were in the habit of producing; that it did not obtain figures abroad in this part of the investigation, on fabrics made abroad, but only theoretical estimates on cloth produced in the United States; that it does not make clear in its report whether the foreign figures and American figures were produced from mills of similar relative degrees of efficiency or not. There is no reason to suppose, therefore, that anything was obtained in this investigation which might not have been obtained in a quite different form and with figures leading to a very different conclusion had mills been consulted and different fabrics and more exact modes of comparison been employed. The sample investigation can not, therefore, be regarded as throwing any general light upon costs, since obviously the system itself is based upon no general data.

#### AD VALOREM OR SPECIFIC DUTIES.

Much attention has been given by the Tariff Board to the method of levying duties.

The board admits the unfortunate effects of the present specific rates on raw wool, and notes that "various wools of heavy shrinkage can not be profitably imported into the United States," while it also comments (p. 381) on "the practice abroad of preparing and selecting the light-shrinkage sorts that are peculiarly suitable for the American trade." After describing the proposed ad valorem rate, the graduated specific duty on the scoured content, etc., it finally decides against the ad valorem plan and in favor of the specific rate on the scoured pound. With reference to the ad valorem mode of levying duties, it states that "the economic objection to an ad valorem duty on wool arises from the fact that the amount of duty paid, since it fluctuates with the foreign value of the commodity, would not be adjusted to the needs of the Government, of the consumer, nor of the American woolgrower. A speculative change in the market which increased the price of wool would automatically lead to an increase in the amount of duty at the very time that the manufacturer is most hampered by the existing high price, when the consumer most needs relief, and the woolgrower is most prosperous."

That the real question in the mind of the board does not, however, relate to the consumer can be seen from the latter remark that "if the basic idea of the duty on wools is to give the domestic grower permanent protection, it should remain as uniformly effective as possible under all changes of foreign conditions (shortage, overproduction, etc.). Ad valorem duties would not accomplish this . . ." It is the supposed inability of the ad valorem duties to give what the board calls "permanent protection" that condemns them in its sight. As for the remedy suggested by the board—the levying of duties on the scoured-wool content—the contention that "some method of assessing a specific rate on the clean content would remedy most of the primary faults of Schedule K" (p. 398) is answered by Edward Moir, president of the Crown Mills, Marcellus, N. Y., in a recent letter to the Daily Trade Record, as follows:

"The board states that ad valorem rates are open to grave difficulties from the administrative and revenue point of view in the case of a crude and bulky commodity like wool.

"Further, that ad valorem rates would give a high duty per pound when prices are high at a time when the consumer most needs relief and the producer more able to bear competition. With the low price of wool, the duty per pound would be low when the consumer has least need of competing wools and the producer is least able to bear competition.

"I believe the statements of the board as to the effect of ad valorem rates not being easily collectible comes from their lack of knowledge of wool in its various conditions. Other men who are very familiar with wool say that the values of wools can be readily determined and the proper duty easily collected, and I have been assured by officials high in the customs service that such is the fact; also, that it would simplify the work of the customhouse if all wools were assessed by value.

"The board says an ad valorem rate would give a high duty per pound when wool is high and a low duty when wool is low. This follows as a natural sequence of the law of supply and demand, yet the following paragraph, in which is given a plan said to be better in the opinion of the board than by ad valorem rates, for the assessing of wool duty, would have the very same objection.

"That the chief objections to the present rate on the grease pound could be met by levying some form of specific duty based on the clean or scoured content of the wool imported.

"If a specific rate on the clean pound is adopted, it will work out in this way, as shown by table appended, and for the purpose of illustration I will take 20 cents per clean pound as the flat rate of duty:

Wool costing clean—	Per cent.
20 cents per pound, duty 20-cent rate	100
30 cents per pound, duty 20-cent rate	66 2/3
40 cents per pound, duty 20-cent rate	50
50 cents per pound, duty 20-cent rate	40
60 cents per pound, duty 20-cent rate	33 1/3
70 cents per pound, duty 20-cent rate	28 1/2



"The range in price from 20 to 70 cents per pound clean, used in the above table, is conservative. Why the board should recommend a method of assessing the duty upon wool that shows a variation of 350 per cent in the rate of duty passes my comprehension. It is true that this method is only one-half as objectionable as the present method, seeing it equalizes on the shrinkage, yet does not on the value, as the table shows. An ad valorem rate would place all on the same footing and lay a proper foundation for an equitable duty upon goods in place of the present inequitable one.

"One can not but think that this recommendation, which the board has made, must be considered as due to want of technical knowledge on the part of its members of the varying conditions and qualities of wool and the various fabrics these wools are suitable for making. It would appear to be an error creating a tariff board whose members have had no business experience in the branches of trade upon which they are expected to report and offer recommendations upon. It would have been much better for the board to have confined its work to the gathering of statistics on the different schedules than to suggest methods that, if adopted, are not only inequitable, but will work hardships to different branches of the woolen business.

"The objection by the board that an ad valorem duty has the effect of increasing the duty when wool is high and lowering it when wool is cheap abroad is not well taken, as when wool is cheap abroad the home manufacturer should get his raw material on a parity of value with the foreign manufacturer or he can not compete.

"The only way I can see any force to this contention of the board's is that it simply had the woolgrower in mind when recommending a method of assessing the wool duty by specific rate per clean pound in the hope that such might insure to the grower a high price when wool is cheap abroad and a still higher price when it is dear. The board seems to have left out of consideration the necessity of the home manufacturer being put in a position to compete with the foreign manufacturer, who has cheaper wool, due to a falling market. Besides, the consumer certainly should have some benefit in the price of commodities due to this market condition of the raw material."

#### INTERPRETATION OF TARIFF BOARD'S REPORT.

##### A. RAW WOOL.

Raw wool in Schedule K of the tariff law is divided into three classes. Class 1 is described in paragraph 361, class 2 in paragraph 362, and class 3 in paragraph 363. The duty on wools of class 1 is fixed at 11 cents per pound, on wools of class 3 at 12 cents, and on wools of class 3 at 4 and 7 cents per pound, according to value. In the event that the wools are imported washed, the duty on the first class is twice as much as if imported unwashed. If imported scoured, the duty is three times that on unwashed wool. The duty on wools of the third class, if imported in condition for carding, is three times that on unwashed wool. In dealing with raw wool the board treats the three classes separately, recognizing the difference in source, the conditions under which produced, and the amount of production.

1. Third-class wools: The board points out that practically no wool of the third class is produced in the United States. This wool is derived from a variety of sources fully considered (pp. 413-437), but the United States is not recognized among these sources except in a very limited manner. In the words of the board, "There is very little wool of class 3 now raised in the United States" (p. 437). Reviewing the history of the industry, the board further states (p. 437): "Twenty-five years ago there were 6,000,000 or 7,000,000 pounds of wool of a carpet grade grown in some of the Western States and Territories, but it has been estimated that not more than a half million pounds of this domestic wool is now sold annually to carpet mills." Apparently this is intended to say that not more than a half million pounds of this domestic wool is annually produced in the United States at the present time. As the total annual production of wool of all grades in the United States within recent years is about 325,000,000 pounds, it is seen that the amount of carpet wool can not, under the board's statement, amount to more than about one-seventh of 1 per cent of the total wool output of this country. In view of the large demands for these wools from manufacturers of carpets and coarse woolen goods, it is evident that this class of wool does not require the protection of 4 cents per pound given it by the present tariff law. On the authority of the board it may be stated that the production of third-class wools in this country is so limited as to be a negligible quantity and that the necessity for protection may, therefore, be disregarded.

2. Second-class wools: Of the other classes of wool the board says (p. 299): "The great bulk of the wool grown in this country would, if imported, fall under class 1." The wools produced in the United States are not strictly comparable with those of foreign countries, and the board concludes (p. 382) that there is no reason for maintaining a distinction between first and second class wools. In the meantime, however, such a distinction is made in the tariff law, and in effect the board recognizes it in its discussion. The board further states that about two-thirds of the wool grown west of the Missouri River is "fine" or "fine medium," while about 25 to 30 per cent of that east of the Mississippi is classed as "fine." The territory devoted to woolgrowing in this country is separated by the board into two divisions. In the first division (class A) is included all the States west of the Mississippi River except Minnesota, Iowa, and Missouri. In the second division (class B) is placed the States of Minnesota, Iowa, and Missouri, and all the States east of the Mississippi River. In the region designated as Class B there are two well-defined sheep-raising regions; the one comprises Ohio and portions of adjacent States, the other the remainder of the territory east of the Mississippi River. In the Ohio region there are about 5,000,000 sheep, which produce a fine grade of merino wool. In the remainder of this "class" there are found about 10,000,000 sheep, whose wool is below fine merino grade, and may be properly described as "crossbred." Throughout a territory in the West, containing about 35,000,000 sheep, the cost of producing fine wool is found to be about 11 cents per pound. The cost in the East (Ohio) is stated to be about 19 cents per pound, while in the remainder of the territory east of the Mississippi it appears that "the net charge against the wool grown on sheep of the crossbred type is negligible." This statement is borne out by the figures of Table 19 (pp. 365-368), covering returns of 135 crossbred flocks.

Of these crossbred flocks (p. 372) 121, or 90 per cent, "show receipts from other sources which equal or exceed the receipts from wool, and on an average for all these flocks the receipts from other sources constitute about two-thirds of the total receipts." This, moreover, is an exceptionally unfavorable showing, as the board states (p. 373): "Of the 10,000,000 crossbred sheep a considerable part are kept under such conditions as to yield larger profits than do the crossbred flocks considered in Table 19 of this report." However, the general conclusion is reached that "for the crossbred flocks of this region as a whole the receipts from other sources are quite sufficient to meet the total costs of maintenance, and therefore the receipts from wool remain as profit."

From this it may be fairly concluded that wools of the kind which compete with the output of these crossbred sheep do not need protection. This is clear from the fact that the wool income from these flocks is a clear profit, there being no charge whatever against it. It may, therefore, be safely concluded from the board's report that class 2 wools also do not require protection, inasmuch as the cost of production is zero. As already noted, the board says (p. 382): "Practically all of the domestic clip, if offered for entry at our ports, would fall under class 1 of the existing law. That is to say, the great bulk of the wool grown in the United States shows the use of merino blood, either immediate or remote, in its production. Imports under class 2 are relatively unimportant, and there is no longer valid reasons for the maintenance of the distinction as between English and merino wools so long in force." It is further stated (p. 384): "There is an enormous quantity of wool produced in Australasia and South America known in the trade as crossbred that has practically no equivalent in our domestic production." The comparison already made is, however, as near as can be drawn—although it is true that most of the domestic wools show the use of some merino blood in their production. In a table (p. 385) the board recognizes their comparability by a direct comparison between domestic wools grading one-half blood and under, and foreign crossbred wools.

3. First-class wool: The real question in the wool schedule of the tariff act, in the opinion of the board, is the production of the western wools of fine merino quality. On page 301, under the caption "Where competition centers," the board says that in Wyoming, Montana, Oregon, and Idaho there is a staple wool which corresponds with some of the best Australian wools, and it is there that the study of cost of production has apparently been most carefully made. It is noted that the "Delaine wools of Ohio, Pennsylvania, etc., are claimed to be the strongest wools of merino blood raised in the world, etc."; these are the wools which later in the report (p. 377) are shown to be obtained from about 5,000,000 sheep at an estimated cost of 19 cents per pound. On this small quantity of wool a special tariff protection would presumably have to be recommended by the board to safeguard it from competition. Omitting this portion of the fine-wool production, since, as noted by the board, the conditions are peculiar, the sheep being maintained for "general purposes" rather than primarily for their wool, attention will be concentrated on the western woolgrowing region, where, according to the board, "competition centers." Although the board has mentioned only the staples of Montana, Wyoming, Oregon, and Idaho as directly competing with the Australian, and although it admits that fine and fine medium wools constitute only 66 per cent of the total production of the western region, it may be assumed, for the sake of discussion, that the whole of the western region is to be regarded as devoted to the production of fine and fine medium wools, and, therefore, on a competitive basis. On page 330 of the report there is given a tabular statement showing by States the number of sheep studied in Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming. The total number of sheep so studied is 3,151,731, and these yielded 20,764,713 pounds of wool in the grease. The net charge against wool in this region is 10.9 cents per pound, while the averaging selling price is 15.9 cents per pound, a difference of 5 cents between the cost and selling prices. Considering only the States producing the very finest staple, namely, Wyoming, Montana, Oregon, and Idaho, the situation is not materially different. In Idaho an unusually high cost, 17.3 cents per pound, was reported. In Montana the cost was 13.8 cents, in Oregon 10.9 cents, and in Wyoming 12.4 cents per pound. The average returns from Montana, Wyoming, and Idaho show a net charge against wool of 14.2 cents per pound. The remaining eight States of the group show an average charge of 8.4 cents per pound. In discussing the competitive conditions of production of wool, we may speak first of the western region as a whole, where woolgrowing is carried on as an independent industry, and we may subsequently consider these States as producing a special type of wool on an independent basis.

The following table appears on page 330 of the board's report, except the addition of columns showing the per cent of shrinkage, the scoured-wool yield, the net charge, and the value or price per scoured pound. Showing, by States, total receipts and expenditures, capital per head, selling price of wool per pound, and net charge against wool per pound, of flocks investigated by Tariff Board in the western United States; also the shrinkage and fine washed-wool content of the grease wool.

State.	Number of sheep.	Pounds of wool.	Receipts.		
			Wool.	Other sources.	Total.
Arizona.....	180,254	1,181,882	\$184,211.65	\$246,923.23	\$431,134.88
California.....	115,192	994,687	145,018.66	198,881.05	343,899.71
Colorado.....	333,526	2,110,189	309,363.13	402,245.42	702,608.55
Idaho.....	377,919	2,340,483	424,567.47	708,954.48	1,133,521.95
Montana.....	514,987	3,515,417	649,455.46	568,063.24	1,217,518.70
Nevada.....	168,255	1,011,046	153,810.31	321,792.64	475,602.95
New Mexico.....	442,142	2,613,976	364,350.12	508,043.29	872,393.41
Oregon.....	229,713	1,678,993	237,000.35	272,476.51	509,476.86
Utah.....	265,645	1,601,436	330,782.52	424,186.13	754,968.65
Washington.....	61,574	391,776	46,540.70	133,420.00	179,960.70
Wyoming.....	467,524	3,024,828	475,739.44	599,652.89	1,075,392.33
Total.....	3,151,731	20,764,713	3,311,839.81	4,384,638.88	7,696,478.69

State.	Expenditure.			
	Labor.	Maintenance.	Miscellaneous and selling expense.	Total.
Arizona.....	\$141,612.16	\$26,566.15	\$204,216.08	\$372,394.39
California.....	63,477.17	93,256.82	113,755.55	270,489.54
Colorado.....	198,695.23	88,642.45	299,268.32	586,606.00
Idaho.....	258,826.93	364,205.34	491,558.27	1,114,590.54
Montana.....	278,993.71	275,320.64	501,514.10	1,055,828.45
Nevada.....	123,372.41	59,341.56	180,901.47	363,615.44
New Mexico.....	245,427.12	79,138.02	402,783.58	727,348.72
Oregon.....	129,025.90	143,723.14	183,571.01	456,320.05
Utah.....	182,114.75	100,875.54	318,869.63	601,859.97
Washington.....	45,342.10	38,293.92	47,405.27	131,041.29
Wyoming.....	336,991.56	168,455.18	471,887.22	977,333.96
Total.....	2,003,879.04	1,437,818.76	3,215,790.55	6,657,488.35

## Showing, by States, total receipts and expenditures, etc.—Continued.

State.	Net charge against wool per pound.	Selling price per pound.	Capital per head.	Rate of income on capital.	Per cent of shrinkage. <sup>1</sup>	Scoured wool yield (pounds).	Net charge per pound scoured.	Value per pound scoured.
Arizona.....	\$0.106	\$0.155	\$5.64	5.8	67.25	387,066	\$0.323	\$0.473
California.....	.071	.145	5.18	12.3	67.25	325,760	.217	.442
Colorado.....	.087	.142	4.59	7.6	67.25	691,087	.265	.433
Idaho.....	.173	.181	6.13	.8	67.25	766,508	.528	.552
Montana.....	.138	.184	5.57	5.6	67.25	1,151,299	.421	.561
Nevada.....	.041	.132	6.08	11.3	67.25	331,118	.125	.464
New Mexico.....	.083	.139	4.56	7.2	67.25	856,077	.253	.424
Oregon.....	.109	.141	4.92	4.7	67.25	549,870	.332	.430
Utah.....	.093	.173	5.79	9.9	67.25	622,720	.284	.528
Washington.....	+.005	.118	4.58	17.3	67.25	128,307	+.015	.390
Wyoming.....	.124	.157	5.19	4.0	67.25	990,631	.378	.479
Total.....	.109	.159	5.30	6.2	67.25	6,800,443	.332	.485

<sup>1</sup> Report, p. 383.

This table now serves as a foundation for an analysis of the competitive strength of the fine-wool producing region of the United States as compared with foreign countries. A comparison based on the grease pound would be misleading, because wools are found to shrink in different proportions. The competitive capacity of a region is dependent upon its ability to produce a certain quantity of scoured wool at a specified price. The manufacturer is not primarily interested in the grease-pound charge, but in the cost of the wool ready for spinning. This point is freely admitted by the Tariff Board, of course (p. 382), though it does not directly relate its data as to shrinkage with its production cost of grease wools.

In connection with the study of shrinkage made on page 383 the board presents the following table:

Amount and per cent of shrinkage of clean wool resulting from scouring specified grades of fine wool having their origin in given localities.

	Eastern United States, in United States mills.	Western United States, in United States mills.	South American.		Australian.	
			In United States mills.	In foreign mills.	In United States mills.	In foreign mills.
Pounds in grease.....	4,262,813	46,996,576	1,288,666	8,846,401	11,067,147	29,967,258
Pounds scoured.....	1,709,002	15,390,892	674,755	3,550,597	5,730,238	12,937,911
Per cent of shrinkage....	60.00	67.25	47.64	59.90	48.22	56.82

The following table from page 385 of the report throws additional light on the subject of shrinkage:

Amount of clean wool and per cent of shrinkage resulting from scouring foreign crossbreds and domestic wools grading one-half blood and under.

	Eastern United States, in United States mills.	Western United States, in United States mills.	South American.		Australian, in United States mills.
			In United States mills.	In foreign mills.	
<b>½ blood and under (domestic wools):</b>					
Pounds in grease.....	9,101,974				
Pounds scoured.....	4,858,984				
Per cent of shrinkage....	46.62				
<b>¾ blood:</b>					
Pounds in grease.....	15,917,633	738,711	3,720,225	4,467,078	
Pounds scoured.....	6,003,731	373,482	1,670,291	2,540,609	
Per cent of shrinkage....	62.28	49.44	55.01	43.13	
<b>¾ blood:</b>					
Pounds in grease.....	3,213,783	4,215,956		1,995,100	
Pounds scoured.....	1,483,743	2,785,513		1,252,492	
Per cent of shrinkage....	53.83	33.93		37.26	
<b>¾ blood:</b>					
Pounds in grease.....	1,510,985	12,537,310	27,394,408	145,267	
Pounds scoured.....	785,474	8,379,071	17,431,779	102,557	
Per cent of shrinkage....	48.09	33.17	36.44	29.40	

In Table 6 above is set forth the per cent of shrinkage undergone by western United States wools when scoured in United States mills, and the wool thus treated is stated to be "fine wool." This shrinkage figure, stated as 67.25 per cent, is used in computing the fine scoured-wool yield of the grease wool actually studied and reported upon by the board in the western United States. The board gives the net charge per pound against wool in each of the States enumerated, and in ascertaining the cost per scoured pound this amount is multiplied by the number of pounds of grease wool necessary to produce a pound of scoured wool at the rate of shrinkage indicated. This shows, in each of these States, the investment in grease wool necessary to secure a pound of scoured wool. If the sale price of the wool in grease is applied to the number of pounds necessary to produce a scoured pound, the result is the price paid at current rates during the period of investigation for sufficient grease wool to produce a scoured pound. The average cost of the wool studied was 33.2 cents per pound, based on the shrinkage percentage of 67.25, and the average price when scoured was 48.5 cents per pound. On the basis of the board's investigations, therefore, these figures represent the competitive situation in the fine-wool district of the West, which, as the board has expressed it, is the section "where competition centers."

We may now turn to the question of the competitive strength of the Australian wools which compete with the fine wools of our western region. The interesting point is not the price at which these wools are sold in Australia, but that which is paid for them in American mills.

On pages 387-390 is a table showing "A record of actual importations and scourings in a representative American mill covering more than 10,000,000 pounds of class I wool." This amount is about one-half of the amount considered in the tabulation for the Western States. If limited to the Australian merino wools less than 5,000,000 pounds have been included. Since approximately two-thirds of the total output of the western region is fine and fine medium wools, the other third consists of wools somewhat comparable to the crossbred wools of Australia—grading half blood or below—all of the Australian wool given in the board's record of actual imports and scourings at a representative American mill may, therefore, be included.

The results thus secured show that, taking all of the wool, the average price paid per scoured pound was 50.8 cents, while for the fine merino wools the price paid per scoured pound was about 50 cents. This figure should be compared with the one already obtained for the western region, which shows an actual cost per scoured pound of 33.2 cents and an actual realized price paid per scoured pound of 48.5 cents, assuming the total output to be of merino origin. The figures show that, entirely independent of the payment of tariff duties on the importations of Class I wool, the American industry was in a distinctly competitive position. Comparing the fine merino staples raised in the Northwestern States of the United States, including Idaho, Montana, Oregon, and Wyoming, with the merino wools for which figures are given, it appears that the cost of the fine staples in the United States was 13.7 cents in the grease, or 41.8 cents scoured, and the realized price paid was 16.9 cents in the grease, or 51.5 cents per scoured pound, while the price paid for the Australian merino by American mills was over 50 cents per pound. This appears to show that, with freight rates included, the western wool-raising industry is fully able to hold its own against the Australian staple.

In the preceding computation, as already noted, the shrinkage was 67.25 per cent, which is the rate quoted by the board for fine wools of the West. As elsewhere shown in the board's report, the Territory wools consist of about 66 per cent of fine wool and 34 per cent of the lower grade product. A fairer basis of computation might be found in the use of the shrinkage percentage computed as a weighted or true average, inasmuch as the various grades of wool shrink in different proportions. Such a weighted or true average has been worked out upon the basis of the board's figures for fine wools and wools of one-half blood, three-eighths blood, and one-fourth blood. This shrinkage percentage is 64.32, which may be taken as the general shrinkage of Territory wools. In the following table a computation is presented showing the same comparison except that in this instance the percentage of 64.32 is used instead of 67.25 per cent.

## Showing by States net charge per pound against Territory wools.

States.	Wool (pounds). <sup>1</sup>	Per cent of shrinkage.	Equivalent scoured wool (pounds).	Net cost charge per scoured pound.	Value per scoured pound.
Arizona.....	1,181,882	64.32	421,695	\$0.297	\$0.434
California.....	994,687	64.32	354,904	.199	.406
Colorado.....	2,110,189	64.32	752,915	.244	.398
Idaho.....	2,340,453	64.32	835,083	.484	.507
Montana.....	3,515,417	64.32	1,254,300	.386	.515
Nevada.....	1,011,046	64.32	360,740	.115	.426
New Mexico.....	2,613,976	64.32	932,666	.232	.389
Oregon.....	1,678,993	64.32	596,064	.305	.395
Utah.....	1,901,436	64.32	678,431	.260	.484
Washington.....	391,776	64.32	139,785	+.014	.330
Wyoming.....	3,024,828	64.32	1,079,258	.347	.440
Total.....	20,764,713	64.32	7,408,841	.305	.445

<sup>1</sup> Report, p. 330.

Protection and the price of raw wool: It is not necessary, however, to depend solely upon the figures given by the board for the cost of producing raw wool, or the "net charge against raw wool," for conclusions as to the amount of protection needed by the wool industry in the United States. The board has not only given the figures relating to costs in the region studied, but has also investigated the prices of raw wool in leading markets. It is shown that the price realized for wool in the western woolgrowing region, including the States of Arizona, California, Colorado, etc., was 15.9 cents per pound. If the shrinkage of this wool be taken at the figure, 67.25 per cent, given by the Tariff Board (p. 383), it will appear that the actual scoured wool costs approximately 45 cents per pound. This represents the cost of wool which must be purchased in the grease at the rate mentioned by the Tariff Board, as actually realized by the sellers of the wool, in order to supply the buyer with a pound of scoured wool ready for manufacture.

In volume 1 of the board's report (p. 65) is presented a table, taken from the bulletin of the National Association of Wool Manufacturers, showing the total wool product of the United States for 1910. This table shows that the scoured value of all wool produced in the United States in the year 1910, aggregating 321,362,750 pounds and yielding 141,805,813 pounds of scoured wool, was 51.12 cents per pound. Practically no wool of the third class was produced in the United States in 1910, but the product of the year is composed of first and second class wools, while in the far West region the product is largely fine wools. The table shows that the value of the output in Nevada is 54 cents per scoured pound; that of California, 46 cents; that of Colorado, 47 cents; that of Arizona, 53 cents; and that of Texas, 55 cents, etc. Local and seasonal variations will always occur, but we may accept the figure already cited from the cost of production report—15.9 cents per pound, giving a scoured value of about 48 cents per pound—as corresponding substantially to the market value. Elsewhere the board has presented the quotations of American wools in Boston, giving the so-called "territory wool," of which we have been speaking, as the product of Montana, Wyoming, Utah, etc., on a scoured basis.

The prices there given for 1910 range from 50 to 74 cents per pound according to grade, while for 1911 the prices range from 40 to 62 cents. This also confirms the accuracy of the figures already mentioned. In a study of the prices charged for Australian wools in London, the board shows that wools belonging to Class I sold in London in 1910 at prices ranging from about 16 cents to about 32 cents per pound, according to grades. In October, 1911, the range was from about 17 cents to about 44 cents (p. 34, Vol. I). In another table (p. 213, Vol. I) the board gives prices per pound for certain foreign wools in England, as reported by the Bradford Chamber of Commerce. In this table are given two kinds of Australian wools, namely, "Port Phillip" and "Adelaide." The former averaged 26.4 cents per pound in 1910 and the latter 18.3 cents. These figures are identical with those given from another source



In the table previously cited, and represent the price charged for two good grades (not the best) of Australian wool, which on importation into the United States would rank as Class I. If these be accepted as representative and a mean taken, we shall have 22.4 cents per pound as the price (taken as the mean) of wool competing with our western product.

The board has made an elaborate study of shrinkage in the second volume of its report. Elsewhere we have used figures showing the shrinkage of Australian wools in American mills. These figures can not be used for the present purpose, because Australian wools are imported in a skirted condition and consequently shrink less than they would if imported in their natural condition. It is necessary, therefore, to ascertain the shrinkage of Australian wools in the mills to which they are sent for shrinkage in a natural condition. The board (p. 387) states that the shrinkage figure for total wool production of all countries given by Helmut, Schwartz & Co. is universally accepted in the trade and names 48.54 per cent as that of Australasia. In its study of actual shrinkage in the United States it shows that Australian wool shrinks 48.22 per cent (p. 383). If we accept the figure 48.54 as representing the shrinkage, it will appear that the figure 22.4 cents, which we have already given as the assumed mean price of Australian wools competing with our western wools, must be divided by 51.46 (or 100 minus 48.54) in order to find the value of the wool in a scoured pound. This computation gives 43.5 cents.

Previous figures have shown that scoured wool from western fleeces may be taken as worth 48 cents per pound. The difference, then, is 4.5 cents (assuming that freight rates to the mills offset one another), and this must be reckoned as an ad valorem rate on 43.5 cents, which would give a result of about 13 per cent ad valorem, the protection apparently demanded by western wool producers, assuming the figures we have given to be correct. It is clear that in the case of the more expensive Australian wools there would be no advantage whatever. This is shown by the figures of the Tariff Board representing the actual importation and scouring in a representative American mill covering more than 10,000,000 pounds of class 1 wool. Considering the figures given for Australian merinos, it is found that about 50 cents per scoured pound was paid, so that the Australian wool cost the producer actually more than the western wool; or, allowing 2 cents a pound freight on the western wool to the mill, something like the same price, probably a little less in some cases. In this case apparently actual experience with a large quantity of wool did not indicate any necessity for tariff protection. In general, with Australian grease wool at 20 cents a pound or higher, there is little necessity for tariff protection, as indicated by actual purchases in the market. At that price the western woolgrower is able to furnish his wool in successful competition on the scoured-pound basis, accepting the actual prices found in the Tariff Board's report as a basis for the comparison.

**Competitive conditions.**—The position of the western woolgrower compared with that of the Australian producer may be discussed without reference to prices in the market, and simply upon a basis of cost, as reported by the board. In that case it will be seen from table 5 that a cost of about 11 cents per pound was found to exist on the average in the west, while in Australia the cost was "a few cents a pound" and in South America "4 to 5 cents." Taking 4 to 5 cents a pound as the cost in South America and Australia, and selecting the higher figure—5 cents—just as we have selected the higher figure—11 cents—from the board's report, there is found to exist a disadvantage in the United States of about 6 cents per pound on grease wool. This supposedly represents the amount by which the net charge against wool in the United States exceeds the net charge against wool in South America and Australia. The comparison, however, has not taken into account cost of transportation. The subject of transportation is discussed by the board in volume 2 (pp. 351, 352), where it appears that "\$2 a hundred pounds is believed to be a fair estimate for the average cost of transportation of grease wool from the West to Boston," while (p. 352) "the cost of transportation from the Australian producer to Boston ranges between \$1.84 and \$3.191."

The average cost of transportation of Australian wool is thus about \$2.50 a hundred pounds, or one-half cent more per pound on the

Australian wool than on the western American wool. We may, therefore, regard the western American woolgrower as suffering a disadvantage, not of 6 cents a pound, but of about 5½ cents. If it be assumed, on the basis of the board's shrinkage figures (p. 385) that the total shrinkage of western wools in the United States mills grading one-half shrunk and under is the average of the shrinkages given for the different grades, we shall have a shrinkage of 54.96 per cent. Our 5½ cents, therefore, will represent the cost of 45.04 per cent of the disadvantage we suffer in the production of a pound of scoured wool. The total disadvantage will then be about 12.2 cents. Accepting the prices given in the board's table for actual importations of Australian wool, and prices paid therefor (pp. 387-389), we may again take the value of a scoured pound of Australian wool at an American mill as 50.8 cents. In that case 12.2 cents reckoned as an ad valorem upon the value of the imported Australian wool would be nearly 25 per cent, or, measured in cents per pound, would simply be itself the amount of the duty called for in a specific form, namely, 12.2 cents. This apparently would be the maximum duty which could be demanded by the western wool producer on wools of the kind referred to under the most unfavorable circumstances. On the finer grades with a higher shrinkage this percentage would be larger, but in that case the price assumed must be a good deal higher. The ad valorem percentage would be much the same.

It should be observed, however, that a protection of 5.5 cents per pound of grease wool, or 12.4 cents per pound of scoured wool, would amply protect most of the States included in the western region. There would be very few of them in which the cost of production is so high as to require a protection of 5.5 cents per grease pound. This result may be exemplified as follows: Let the net charge against wool in South America and Australia be taken as 5 cents. The cost of production or net charge against wool reported in California is 7.1 cents. Allowing one-half cent for freight charge as before, the net disadvantage for California as a producer would be 7.1 minus 5.5, or 1.6 cents. This would be less than one-third of the 5.5 cents protection mentioned. In the same way the protection required in Colorado would be 8.7 minus 5.5, or 3.2 cents. In Nevada, with a cost of 4.1 cents net, protection required would be still smaller. New Mexico, with a cost of production of 8.3 cents, would be only at a slight disadvantage as compared with a foreign cost plus freight of 5.5 cents. Washington, which has no net charge on wool but a very slight credit to wool, would need no protection whatever. On the whole, probably not more than three or four States of the group would require protection of 5.5 cents.

In the following table is computed the net disadvantage under which the Western States labor in the production of a scoured pound of wool and the ad valorem duty which would be necessary in order to place the western woolgrower upon a basis of equality with the Australian and South American grower in the American market. This ad valorem rate is computed upon a basis of 50.8 cents for Australian wool and 37.4 for South American wool. These figures have been obtained by averaging the quotations given by the board for the actual experience of an American mill in the importation of 10,000,000 pounds of foreign wool. It should be noted that the ad valorem duties which are thus indicated vary enormously according as the price of wool varies and, of course, as the disadvantage per scoured pound varies. The difficulty in the argument is found in the fact that a uniform price is assumed for all foreign wools, whereas in fact these foreign wools consist of a series of different grades. None of the figures can be said, therefore, to be computed, in the strict sense, with any authority. It is observable that the average rate of protection needed to safeguard against Australian competition is about 30 per cent, as shown by this table, and that needed to protect against South American competition is about 40 per cent. This would seem to indicate that South America was a more dangerous competitor than Australia, a statement whose absurdity is self-evident. In this computation, as in others that have preceded, it will be observed that there are several of the Western States in which no tariff protection is needed, while in several others only a very small amount is called for. The high average rate thus shown is due to the reported high cost of production in two or three States where costs are stated as abnormally high.

Ad valorem and specific rates necessary on Australian and South American wools in order to equalize territory wool costs.

State.	Net charge per pound against wool. <sup>1</sup>		Difference in cost between United States wool and that of Australia and South America.	Total disadvantage of scoured pound on shrinkage basis of 64.32 per cent.	Average cost per scoured pound. <sup>2</sup>		Ad valorem rate necessary to equalize difference in cost of—		Specific rate per pound necessary to equalize difference in cost between wools of the United States, Australia, and South America.
	United States.	Australia and South America.			Australian.	South American.	Australian wool (per cent).	South American wool (per cent).	
Arizona.....	\$0.106	\$0.055	\$0.051	\$0.143	\$0.508	\$0.374	28.15	38.24	\$0.143
California.....	.071	.055	.016	.045	.508	.374	8.86	12.03	.045
Colorado.....	.087	.055	.032	.090	.508	.374	17.72	24.06	.090
Idaho.....	.173	.055	.118	.330	.508	.374	64.96	88.24	.330
Montana.....	.138	.055	.083	.232	.508	.374	45.67	62.03	.232
Nevada.....	.041	.055	+.014	.....	.508	.374	.....	.....	.....
New Mexico.....	.083	.055	.028	.078	.508	.374	15.35	20.86	.078
Oregon.....	.109	.055	.054	.151	.508	.374	29.72	40.37	.151
Utah.....	.093	.055	.038	.106	.508	.374	20.87	28.34	.106
Washington.....	+.005	.055	+.060	.....	.508	.374	.....	.....	.....
Wyoming.....	.124	.055	.069	.193	.508	.374	37.99	51.60	.193
Total.....	.109	.055	.054	.151	.508	.374	29.72	40.37	.151

<sup>1</sup> Report, pp. 380, 350.

<sup>2</sup> Based on report, pp. 387-390 and pp. 390, 391.

5. The Ohio region: It will be observed that nothing has been submitted in the foregoing data on the Ohio region, which is reported as having the highest cost of production in the country, that being a net charge of 19 cents per pound against wool. This would apparently call for a much higher protection than any as yet spoken of. The board averages the 5,000,000 sheep of the Ohio region with the western sheep and the crossbred flocks, and thereby makes an average cost the country over at 12 cents per pound, a manifestly incorrect proceeding. It should be frankly admitted that on the board's estimate the Ohio region and a very few of the western States would need a protection in excess of 20 per cent. An average rate of protection sufficient to

offset the difference in cost of production between the bulk of the western region and the foreign woolgrowing countries would not help them in the least. In this connection a further point should be noted. The cost of production of wool in the Ohio region, as given by the board, is 19 cents per pound on the average. Inquiries as to shrinkage show that this wool shrinks 46.62 per cent; in other words, 19 cents is 53.38 per cent of the cost of a scoured pound.

The cost of such a scoured pound, therefore, may be taken as 35.6 cents. This must be compared with the supposed cost advantage in Australia. In the latter country, as we have seen, the cost of production may be taken as 5 cents. However, at least 2 cents must be



added in this case as the freight disadvantage, because of the comparative nearness of the Ohio region to the mills. From the standpoint of Ohio, cost in Australia may be taken as 7 cents. The theoretical disadvantage in the Ohio region is thus 35.6 cents minus 7, or about 28.6 cents. Figuring this as a percentage upon the cost of the competitive Australian wool imported into the United States, which may be taken as 50.8 cents a scoured pound, on the average, it is found that 28.6 cents represents over 55 per cent ad valorem. This is very much more than the protection amounts to, accorded under the present specific basis. In the board's table of actual importations and scourings in a representative American mill (pp. 387-389) the equivalent ad valorem runs from about 34 per cent to about 55 per cent. In a very few instances there are equivalent ad valorem as high as 55 per cent. It would seem, then, that the Ohio wool-producing region is not protected now on the assumption that the board's cost figures are correct and that, if it is to be protected at all, the tariff on wool would have to be very much raised above its present figures, so as to give a rate of 28 or 29 cents on the scoured pound and of at least 55 per cent ad valorem.

Summing up the discussion, therefore, it may be concluded that a study of comparative prices actually realized on western wools and actually paid by importing American mills, and paid at open sale in the London market, show that the western American woolgrower can meet Australian and South American competition without any protection. A study of cost disadvantages would indicate the necessity not to exceed 25 per cent duty ad valorem upon the whole wool output of the Western States, and would show that in the majority of these States a duty of very much less than this, say, 10 to 15 per cent, would be ample, while 20 per cent would completely safeguard all, except a relatively small number of sheep in the less carefully managed flocks of the West and in the Ohio region.

It should be added that there is nothing to prevent either the western or the Ohio growers from shifting to the crossbred flocks, whose profitability in the United States has been demonstrated to such an extent as to show no net charge against the wool. From the protective standpoint, therefore, the whole question is that of imposing a duty for the mere sake of keeping a small percentage of American sheep farmers from the necessity of shifting from sheep of the merino type to those of the crossbred type.

Net cost charge per pound against wool:

United States (Rept., p. 377).....	\$0.19
Australian and South American.....	.07
Difference.....	.12
Total disadvantage per scoured pound on shrinkage basis of 46.62 per cent.....	.224
Average price per scoured pound:	
Australian.....	.508
South American.....	.374
Rate of duty necessary to equalize difference:	
Specific—	
Australian and South American.....	.12
Ad valorem—	
Australian (per cent).....	44.09
South American (per cent).....	59.89

6. Summary of findings on raw wool: These findings on raw wool may be summarized as follows:

1. Class 3 wool needs no protection, because it is scarcely produced at all in the United States.
2. Class 2 wool needs no protection, because those of our wools which compete with it are produced at a very low cost of production.
3. Class 1 wools need no protection as indicated by actual figures of sales. As shown by estimated cost of production the needed duty would not exceed 15 to 20 per cent. A duty of 25 per cent would be considerably in excess of the requirements of production in the West that are indicated by the figures of the board; while in the Ohio region the industry is partly, at least, incidental to general farming and can not be considered on the competitive footing.

#### B. TOPS.

The subject of top manufacture is discussed chiefly on pages 621-645 (vol. 3). Here are given data showing the actual yield from greasy wool of scoured wool, tops, noils, and wastes of various kinds; a discussion of compensatory duties; an outline of the methods of getting costs; and tables showing the cost of converting wool into tops in a number of American mills, whose product has been combined for the purpose of showing the general results.

1. Wastes and compensatory duties: The first problem which the board has to deal with is that of shrinkage in the scoured wool used, so it seeks to ascertain what quantity of tops can be manufactured from a given amount of scoured wool. This shrinkage is then made the basis for computations of the amount of compensatory duty required. On pages 622, 623, the board says:

"The average yield of tops over a considerable period differs in typical American mills by less than 5 per cent, and the amount of this average yield is approximately 85 per cent. But a compensatory duty based on the average yield would be inadequate in the case of tops made from wool of fine quality; while, conversely, a compensatory duty high enough to take care of fine wool would be somewhat more than compensatory for tops made from the lower grades. \* \* \*

"Whatever may be the yield of scoured wool in tops, that part of it that is unfit for tops is by no means a complete loss to the manufacturer. Noils are worth quite regularly 60 per cent of the value of the scoured wool from which they are made, and they form from 60 per cent to 90 per cent of the wastes that accrue in top making. Comb waste is worth practically as much as scoured wool; card waste, as a rule, much less; the two together, forming from 5 per cent to 30 per cent of the total waste, should normally bring 40 per cent of the price of an equal weight of scoured wool. In any case the manufacturer recovers in the value of his wastes fully half the value of the scoured wool consumed that does not appear in his tops.

"Assuming, then, that 100 pounds of fine wool gives 80 pounds of tops, the loss of 20 pounds reappears in the form of waste worth at least as much as 10 pounds of wool. The manufacturer therefore in this case is entitled to a compensatory duty on tops that exceeds the duty on wool by no more than 10 per cent of such duty. This is, of course, on the assumption that compensatory duty shall be fixed entirely on a weight basis."

2. Method of computing tariff duties: The board in this discussion continues the assumption found in the existing law—that two classes of duty are necessary, the one intended to offset the loss of weight in shrinkage, the other the differences in labor and capital between the United States and foreign countries. It is evident that in carrying out that inquiry on the basis of the board's figures several methods may be adopted.

(a) First method: The most obvious method of computation on this basis is as follows: According to the board 1 pound of scoured wool produces 80 per cent of 1 pound of tops, and this would mean that 90 pounds of wool would make 80 pounds of tops, allowing for 10 pounds of recovery in wastes. Assuming that scoured wool is worth 50 cents a pound, 80 pounds of tops would cost \$45 and 1 pound of tops would cost 45/80 of a dollar, or 56.25 cents. The excess cost of material for 1 pound of tops, therefore, is 6.25 cents. The board finds as a result of its investigation (p. 645) that "the cost of making tops in the United States is about 80 per cent greater than abroad." If the American manufacturer gets domestic wool of substantially the same spinning value as English wool and at the same price, 50 cents, no allowance is needed for "compensatory duty." If comparison be made on a dutiable basis we must assume the importation of wool subject to duty. While this is not necessarily the case, we may expand our assumption so as to provide that the scoured wool used in manufacture is imported at 50 cents, duty unpaid, and that this is the same price the English manufacturer pays for his scoured wool at the factory. Then if we assume a duty of 20 per cent for the sake of argument on wool it is clear that the American manufacturer will have to pay 60 cents for his pound of wool after the tariff duty has been liquidated. Now, since 90 pounds of the wool produce only 80 pounds of tops, it is evident that at 60 cents the cost of the 90 pounds would be \$54, and 1/80 of this would be 67.5 cents. Seven and one-half cents, therefore, would be the additional pound value of the material going into the tops made from duty-paid wool.

As already stated, the excess material cost per pound of tops made of nonduty-paid wool at 50 cents is 6.25 cents. Assuming that the amount of waste is the same in England and the United States, it appears that the cost of manufacture from duty-paid wool at 20 per cent implies an additional expense of 1 1/2 cents, which represents the specific compensatory duty that would be needed. This would have to be reckoned as a percentage of 56.25, the presumed cost of the top material in England. It would in that way amount to 2.2 per cent. The board shows that the actual cost of manufacturing tops in the United States from Australian 70-80's is 7.25 cents per pound. Adding this to the 67.5 cents gives 74.75 cents as the cost of a pound of tops in the United States on the basis of the board's figures. In the English mills the cost of conversion is shown as about 100 per cent and in the United States as 180 per cent. Taking 74 cents as 180 per cent, the cost in England would be 4.03 cents per pound. Deducting this from 7.25 cents, the cost in the United States, leaves 3.22 cents, which represents the excess conversion cost of producing tops in the United States. As an ad valorem percentage of 56.25, this gives 5.72 per cent, which, added to 2.2 per cent, the compensatory duty, gives 7.92 per cent over the duty on wool, or 27.92 per cent.

(b) Second method: Another method of computation may be deduced from the board's work. In the passage already cited the board says (p. 623) that the manufacturer is entitled to a compensatory duty on tops that exceeds the duty on wool by no more than 10 per cent of such duty. Taking the same case we have already assumed, with scoured wool at 50 cents and an import duty of 20 per cent ad valorem, in this case equal to 10 cents per pound, the compensatory duty on tops would be the wool duty, 20% + (10% of 20% =) 2% = 22%, or 10¢ + (10% of 10¢ =) 1¢ = 11 cents, a duty of 11 cents, or 22 per cent. We found that if the wool employed was actually imported from abroad and manufactured subject to the waste indicated by the board the material in a pound of tops would cost 67.5 cents, while in England it would be 56.25 cents. The duty on 56.25 cents at the rate of 22 per cent would be 12.38, which, added to 56.25 cents, would be 68.63 cents, or, in this case, decidedly more than enough to cover the cost in the United States as indicated by the board. The duty required to offset the difference in labor and other costs would be the same as stated in the first method, 5.72 per cent, to which would be added the compensatory duty of 2 per cent and the duty on wool of 20 per cent, or a total of 27.72 per cent on tops. It is clear that the rate of duty, by this method of computation, would change rapidly as the price of wool, duty paid, was increased.

And as the wool became more expensive, the duty required would be a smaller ad valorem percentage. In the shrinkage table given by the board (pp. 387-391), the price per scoured pound, duty paid, on the best grades of wool such as we are discussing, is very seldom as low as 50 cents, and is occasionally as high as 60 cents per pound or more. In these cases the amount of duty would fall off.

In the foregoing computation the assumption has been that the English manufacturer is able to land his tops at New York without any cost for selling charges, transportation, insurance, or commissions in the United States. That, of course, is important. The duties already sketched, therefore, are unduly high, if it be desired simply to cover cost of production. The board has shown that freight charges from Liverpool to Boston are about one-third of a cent per pound on wool.

This takes no account of shipping charges in England or from Boston inland, to say nothing of the charges for other items in the cost of marketing. It would probably be a conservative estimate if the English manufacturer were regarded as being obliged to incur an expense of 3 cents per pound for his marketing and freight charges. Such an allowance, if made, would largely offset the difference in cost of production. If, on the basis of our illustration, following the Tariff Board, it be assumed that the cost of getting out a pound of completed tops in the United States with wool at 50 cents a pound scoured, and the rate of duty at 20 per cent, was 75 cents, while in England it was 56.25 cents plus 4.03 cents, or 60.28 cents, the allowance of 3 cents a pound already referred to being then made, the landed cost (United States) of English tops would be 63.28 cents. Deducting this from 75 cents would leave 11.72 cents, which would be about 19 per cent, or less than the raw-wool duty of H. R. 11019. This would mean that a 20 per cent duty would suffice to protect the American manufacturer against the competition of English producers in tops as well as in raw wool. Of course, in this case it should be borne in mind that the 3-cent allowance would have to be made also in case of the raw-wool duty. That is to say, if 20 per cent on raw wool was protective with wool at the same price in England and the United States, a less duty than that would be necessary in practice owing to the difference in cost of transportation, etc.

(c) Third method: Still another method of computation may be adopted, based on the board's figures. A manufacturer may buy 100 pounds of wool and manufacture it into tops. According to the board he will get only 80 pounds of tops out of the 100 pounds of wool. This would mean that the manufacturer would have to invest the cost of 100 pounds of wool in order to get 80 pounds of tops. In so doing he would obtain wastes which he could sell for something, and which the board says would be worth as much as 10 pounds of clean wool. In our former computation we assumed that the wastes had been sold at this rate. On this supposition it is evident that in order to get 80 pounds of tops the manufacturer has to buy 100 pounds of clean wool,



or, at 50 cents per pound, he must invest \$50. Each pound, then, of tops costs him for raw material 62.5 cents, while his competitor in England is getting his wool at 50 cents and his tops at presumably the same relative rate. Now, in the United States assume that a duty is imposed equal to 20 per cent. The 100 pounds of clean wool cost \$60, instead of \$50, and 80 pounds of tops cost the same. That is to say, each pound of scoured wool costs the American manufacturer 75 cents, while his English competitor is getting his material at 62.5 cents a pound.

The compensatory duty allowed for by the Tariff Board is 10 per cent of 20 per cent, or 2 per cent ad valorem, or 1 cent per pound. The difference in cost of labor and investment is 3.22 cents, the same as in our former illustration. This is now figured as an ad valorem of 62.5, or slightly more than 5 per cent. The specific duty under this basis of estimate, then, would be 1 cent plus 3.22 cents, or 4.22 cents, while the ad valorem duty would be 2 per cent plus 5 per cent, or 7 per cent. This is slightly less than by the former method, because of the higher valuation given to the wool going into the tops, due to the fact that no allowance has been made for the income from the wastes. On some accounts this is a fairer basis of reckoning than the other, because of the fact that the process of manufacture requires the larger amount of wool which is indicated in this second method. Of course in this case the allowance made for freight, etc., would still have to be recognized, and would work out as before in more than neutralizing the difference in cost of production of tops indicated by the board.

3. Study of top prices: The question of the duty on tops may be approached from the standpoint of prices rather than from cost of production. The board has given in the early part of its report (Vol. I, p. 106) a table showing the values abroad of specified classes of tops. It finds that 20 cents per pound is the minimum valuation for tops abroad, and that only in depressed conditions would tops of low quality sell for 20 cents or less. The lowest price given in the tables of quotations for 1910 is 24.8 cents, and the highest is 64.9 cents, the latter being a quotation for the very best grade intended for the spinning of very fine yarns. The quotation on tops intended for the spinning

of so-called 64's to 70's, which correspond to what we call in this country fine or one-half blood, are the quotations which should be used for comparative purposes in the present discussion. These quotations were from 54.8 to 62.9 cents, the mean being 58.9 cents per pound. If it be true that raw wool of a given quality used for making these tops can be imported on a scoured pound basis at about the same cost from Australia into the United States as into England, it may be supposed that the price of these tops in England is less than that in the United States (no duty on raw wool) by the excess cost of production of tops in the United States. For the grade of tops considered, this excess cost of production has been found to be about 3.22 cents per pound; in other words, the cost of the same tops in the United States should be about 62.12 cents. Figuring the 3.22 cents as an ad valorem upon 62.5, gives 5.2 per cent as the necessary duty on tops, or, adding compensatory duty in the event that a raw-wool rate of 20 per cent is charged, we should have 7.2 per cent, which roughly corresponds with the showing already made for the grade discussed. If we should compute the rate on the very finest grades it would, however, fall considerably below this figure, while an allowance for freight, insurance, etc., amounting to as much as a cent a pound, would reduce the required protection to 25 per cent or probably much less (granting a raw-wool duty of 20 per cent).

In the following table are presented domestic and foreign costs of producing tops for every cost figure reported in the statement (p. 642), showing variations in the cost of converting wool into tops. The domestic costs are given by the board as a result of its investigations, and the foreign costs are computed on the supposition that the cost of making tops in the United States is about 80 per cent greater than abroad (p. 645). The difference between domestic and foreign costs would represent in each case the disadvantage in cost of production under which the United States labors and would therefore be the figure which should be computed as a percentage of the foreign costs of tops in order to ascertain the ad valorem rate necessary to protect the American producer.

Variations in domestic and foreign conversion cost of wool into tops for a period of 25 months.  
(Cents per pound. Tariff Board Report, p. 642.)

Quality of top.	6 months.		Differ- ence.	6 months.		Differ- ence.	7 months.		Differ- ence.	6 months.		Differ- ence.
	Domestic.	Foreign.		Domestic.	Foreign.		Domestic.	Foreign.		Domestic.	Foreign.	
Unwashed territory, one-half blood or above.	5.37	2.98	2.39	7.60	4.22	3.38	8.59	4.77	3.82	10.85	6.03	4.82
Australian and domestic, one-half blood and above.	4.91	2.73	2.18	6.79	3.77	3.02	7.75	4.31	3.44	10.05	5.58	4.47
Unwashed territory, three-eighths blood.	4.68	2.57	2.06	6.19	3.44	2.75	7.05	3.92	3.13	8.82	4.90	3.92
Australian or domestic, three-eighths blood.	4.31	2.39	1.92	6.10	3.39	2.71	6.31	3.51	2.80	8.13	4.52	3.61
Australian or domestic high, one-quarter blood.	3.86	2.14	1.72	5.62	3.12	2.50	5.90	3.28	2.62	6.66	3.70	2.96
Quarter blood.	3.24	1.80	1.44	4.48	2.49	1.99	4.89	2.72	2.17	6.09	3.38	2.71

4. Summary of top study: (a) If it be assumed that the English and American manufacturers start with wool of the same quality at a uniform price, say 50 cents, the tariff duty not being fully in operation because a home supply exists, it appears that no allowance need be made for compensatory duty, and that the difference in cost of production shown by the board per pound of tops is 3.22 cents, which, computed as an ad valorem upon 58.25, the cost of the material going into a pound of tops, is 5.72 per cent ad valorem.

(b) If it be assumed that the wool used is actually imported into the United States, a duty is paid at the rate of 20 per cent, with no allowance for freight, insurance, etc., the difference in cost must include a compensatory element, figured by the board at 2 per cent, or in this case a cent a pound, and a duty to offset the difference in cost of manufacture, equal to about 3.18 cents, which, figured on the cost of manufacture in England, gives about 5.09 per cent, and this added to the 2 per cent compensatory duty gives a rate of about 7.09 per cent over and above the raw-wool duty, or 27.09 per cent in all.

(c) The rate of allowance for compensatory duty will vary in ad valorem equivalents with the cost of the raw wool in England, and would probably increase or decrease as the cost of the raw wool increases or declines, notwithstanding top costs are lower for cheaper grades of wool.

(d) The foregoing figures are based upon the assumption that no allowance for cost of transportation, insurance, shipping charges, etc., is necessary. Such allowance on these accounts as is customary should be made in order to have the figures hold good in practice. It is observable that an allowance of 3 cents a pound would about offset the difference in cost, both compensatory and labor, and investment cost that has been recognized. Even if it be assumed that such costs of transportation are only 1 or 2 per cent of the value of the tops, a duty of 25 per cent (inclusive of raw-wool duty) would be ample protection.

Noils and wastes: The board has dealt with the subject of noils and wastes incidental to the manufacture of tops, explaining the way in which these wastes originate and the extent to which they are produced in the process of developing tops from scoured wool. It is shown (p. 623) that 100 pounds of fine wool gives 80 pounds of tops, the difference being waste, which is supposed to be worth as much as 10 pounds of wool. In the process of manufacturing worsted yarns the top is converted into roving, and a waste of about 2 or 3 per cent occurs, while subsequently there is an additional waste of about 2 per cent. On the whole the board concludes that the soft wastes made in drawing and spinning are 4 per cent, the hard wastes 2½ per cent, and the invisible wastes and shrinkage 2½ per cent, so that the yield of yarn from tops would be 91 per cent. This would mean that on every 100 pounds of tops there is a production of soft wastes equal to 4 pounds and of hard wastes equal to 2½ pounds. In the process of converting yarn into cloths the waste varies considerably, running from 5 per cent to 25 per cent. The board estimates this waste at about 20 per cent of the value of the yarn from which it is made. That is to say, the gross volume of waste produced in making yarn is from 5 to 25 per cent of the weight of the yarn, while the wastes thus produced are supposed to be worth about 20 per cent, on the average, of the total value of the yarn which has given rise to them in the process of working up.

#### RAW-WOOL DUTY FOR NOILS.

So long as a specific duty is levied upon wool and the low products of wool, the cost of production, dependent as it is upon the amount of wool needed in the manufacture of the cloth, would determine the rate of duty to be imposed. That is to say, the value of the wastes would

properly be reckoned as a part of the value of the total output of the productive operation, including, as that would, tops and wastes or yarn and wastes or cloth and wastes. The duty would need, therefore, to be figured as a composite matter, the amount needed to protect it, granting that wastes in manufacture were equal in amount in different countries, being dependent upon the raw-wool duty, in a certain sense, although the actual figure would depend quite largely upon the demand the industries which used these wastes made for them, and so fixed their price. They can not be said to have any definite cost of production apart from that of the principal products in the course of making raw wool there brought into existence. The board has, therefore, reckoned these wastes and their value as constituting a deduction from the cost of producing tops from wool, yarn from tops, and cloth from yarn. Where an ad valorem system of duty is employed, the situation is different, because the necessity of computation designed to ascertain the amount and value of these wastes need not be undertaken. The wastes will be used again simply as wool.

They act as a substitute for wool in various processes of manufacture, and to that extent displace wool which would otherwise be purchased for the purpose of manufacture. This is true of noils and wool wastes generally. All that is needed, therefore, in a country which levies an ad valorem duty upon raw wool is to treat the wastes in the same way that raw wool is treated. If this were not done it would be cheaper for manufacturers to import such wastes from abroad for use in domestic manufacture. They would, to that extent, cut off the demand for domestic wastes, and the effect of this would be to lower their price in the market, to say nothing of the effect thereby produced on the manufacturing process in which these wastes were brought into existence. Inasmuch as a reduction in the value of the wastes produced in manufacture would mean an increase in the cost of carrying on the principal operation which gave rise to that, a lower duty on such wastes would amount to an infringement upon the duty by which the principal process was itself protected. In the same way, a duty on wastes that was higher than the duty on wool itself would operate to keep out foreign products of the same kind and would thereby enable the manufacturer to gain greater protection under the operation of the compensatory duty than they otherwise would have.

With ad valorem rates of duty, therefore, the indicated level of rates for the noils and wastes will be identical with the rates on raw wool. The board has nothing to say with reference to specific cost of production of noils and wastes since they are by-products as just indicated. They supply the data which could be used to work out a duty if a specific rate were desired. But their argument naturally points to the conclusion, where ad valorem rates are employed, that the duty should be collected at the same rate for wastes as for raw wool itself.

#### C. YARNS.

The Tariff Board has worked out the cost of making yarns in the same way as for tops, and a similar plan may be pursued in estimating the rate of duty required on yarns.

1. Tariff duty computed: Continuing the illustration of wool at 50 cents per pound scoured in England, and a duty of 10 cents per pound or 20 per cent ad valorem on the wool imported into the United States, with tops thereafter costing on the basis of the board's figures, say 75 cents per pound, as against about 60 cents in England, the computation will be as follows: A compensatory duty, according to the board, equal to 8 per cent of the compensatory duty on tops. Assuming that this duty is 22 per cent, 8 per cent of it will be 1.8 per cent ad valorem. Beyond that the difference in cost depends upon

the kind of yarn made, its ply, and count. The board gives material on the cost of making yarn (pp. 645-650), and on page 648 enumerates the cost of converting tops into 2-ply yarns, for counts ranging from 28's to 60's. First taking the lowest count, it is seen from the table given that the total conversion cost in the United States is 12.62 cents per pound, while in England it is said to be about one-half, or 6.31 cents. The loss of weight in yarn making is 9 pounds per 100 (p. 624). This means that in the United States the cost of the yarn material would be  $75 \times 100 \div 91 + 12.62$ , or 95.04 cents, 75 cents being assumed as the cost of a pound of tops.

In England the corresponding pound of yarn would cost about  $60 \times 100 \div 91 + 6.31$ , or 72.24 cents. Figuring the difference in cost, 6.31, as a percentage of 72.24 cents, it is seen that the ad valorem equivalent is about 8.73 per cent, and adding 1.8 per cent for the compensatory duty would be 10.53 per cent over and above 25 per cent on tops, or in all 35.53 per cent. This may be tested by comparing the value of yarn product resulting from a pound of tops in the two countries. We have seen that in the United States this would be 95.04 cents, while in England it would be 72.24 cents. The difference is 22.80 cents, which, reckoned as an ad valorem of 72.24 per cent, is about 31½ per cent. The same computation may be carried out on the other plan, suggested in connection with tops above, i. e., allowing for the value of recovered wastes. In that case the computation would be as follows: One hundred pounds of tops yield on the average 91 pounds of yarn, but the wastes are worth as much as 4½ pounds of tops. In other words, the material cost of getting 91 pounds of yarn equals the cost of 95½ pounds of tops. Assuming that tops are worth 75 cents in the United States, 91 pounds of yarn will cost \$71.625 for material, and the unit cost will be 78.7 cents. Adding 12.62 cents for conversion, the cost of 1 pound of yarn is given as 91.32 cents in the United States, and by the same method 69.31 cents in England. The compensatory duty here is 4½ per cent of 25 per cent, or 1.125 per cent, and the conversion cost 9.1 per cent, or 10.225 per cent in all—a total duty of 35.225 per cent ad valorem.

In these computations again no allowance has been made for the cost of transportation necessary to put the manufacturer on a basis of competition with the American producer. If 3 cents a pound allowance were made upon the yarn value, it would work out in a somewhat different way from that in the case of tops, however, owing to the higher value of the yarn. In that case we have to reckon the cost of the yarn straight through from the raw wool to the yarn. Assuming that the cost of the tops was, as already stated, the amount needed to produce a pound of yarn, meaning, as shown by the board (p. 623), 9 per cent greater than the amount of yarn used, it would appear that 75 cents must be regarded as 91 per cent of the amount of tops needed to produce a pound of yarn. This would mean that the tops necessary to produce a pound of yarn would cost 82.42 cents. In England it would be necessary to spend about 67 cents to get tops necessary to produce a pound of yarn. Adding the cost of manufacturing a pound of yarn in the United States at the same rate as before, 82.42 cents must be increased by 12.62 cents, giving about 95 cents. In England 67 cents must be increased by 6.31 cents, giving 73.31 cents. The total difference in cost is thus shown to be 21.69 cents. An allowance of 3 cents per pound for the marketing charges would cut this to 18.69 cents per pound, which gives an ad valorem on 73.31 of about 25.5 per cent.

2. Change in ply and count of yarn.—It should be noted that the ad valorem rate supposedly necessary to protect the producer owing to differences in cost varies materially in accordance with the changes in ply and count of yarn. It should be figured, therefore, for each ply and count of yarn. The board has furnished data for a few of the different grades of yarn, and in the following table the computation has been followed through upon the basis indicated above.

In the following table is shown the two grades of yarn (two-ply 32's and 40's) whose cost is given by the board in the United States and England with the difference in cost computed as an ad valorem on the quotation at Bradford of these particular grades of yarn:

Rates of duty on yarn necessary to equalize difference in cost between the United States and England.

[Cents per pound. Tariff Board report, pp. 114, 650.]

Item.	Yarn.	
	Two-ply 32's.	Two-ply 40's.
Conversion cost from tops:		
United States (excluding interest).....	14.48	17.99
England (including interest).....	8.10	10.60
Difference.....	6.38	7.39
Mean quotations at Bradford (January-November, 1911).....	40.30	49.20
Rate of duty necessary to equalize the difference:		
Ad valorem.....	15.83	15.02
Specific.....	6.38	7.39

<sup>1</sup> Per cent.

In studying this table, it should be borne in mind throughout that the assumption has been made that raw wool is purchased by American and English manufacturers on the scoured basis without payment of duty at New York and Liverpool, respectively; that subsequently the American manufacturer has paid his duty at 20 per cent ad valorem on raw wool, and has taken the raw material to his establishment for the purpose of manufacturing it into tops and yarns. This assumption may fairly be made, and the table may fairly be relied upon in view of the assumption that the raw-wool duty is ad valorem. If the duty be levied as at present upon the grease-pound basis, quite different results will be produced according to wool shrinkages more or less, and according to methods of scouring in this country different in their fine-wool contents from those which are pursued abroad.

3. Price study of yarns: In its first volume (p. 114) the board has furnished data for a price study of yarns. These may be used for the purpose of checking the analysis already made from the standpoint of cost production. In the section referred to, the board cites the quotations in England for worsted and hair yarns reported by the Bradford Chamber of Commerce. In 1909, it gives worsted 2-ply 40's as worth 65.9 to 75 cents per pound. In the section of the report of the Tariff Board devoted to the subject of manufacturing (Vol. III, p. 648) the cost per pound of converting tops into 2-ply 40's in the United States is given as 17.98 cents, and further (p. 650) the corresponding figure in England is given as 10.6 cents. The difference would be 7.38 cents, so that the inference may be fairly drawn that the cost of these same

yarns, which sell at, say, 70 cents a pound in Bradford, England, should be about 7.38 cents higher, or 77.38 cents in the United States, assuming that the wool out of which they are made was free. In that case the duty required to equalize the cost of production on these yarns would be 7.38 cents divided by 70 cents, or 10.5 per cent. Working this out with English cost taken as one-half American the duty would be 12.8 per cent. The former basis is the fairer. This would be a duty intended to equalize the conversion cost between England and the United States.

No compensatory duty need be figured in this case for the equalization of wastes consequent upon the shrinkage of duty-paid wool, because this is a price, not a cost figure. These results should be compared with the cost of production estimates already given, as based upon the figures of the board. Here, again, no allowance is made for transportation and shipping charges, which would cut the duty from 10.5 per cent to possibly 6 or 7 per cent.

The question whether the yarns mentioned are placed upon the same comparative basis depends upon the use of substantially the same class of wool in manufacture. It can not be stated whether the wool thus used was uniform in the counts of yarn cited for quotation at Bradford with those considered by the board in the United States. If we should take the average of a number of piles and counts of yarns a nominally more general figure would be obtained, but this appearance of general applicability would be only nominal, because the thing which is of interest is the power to compete in specified grades of yarns. Absolutely correct results can be obtained, therefore, only by comparing the cost of production or price of specified counts with the corresponding figures for foreign countries.

The board states that the average value of yarn imported into the United States was \$1.05 in 1911. This was an insignificant amount, because of the restrictive character of the duties, which did not compete with domestic yarns. It can not be stated what counts they represented, but, assuming that they were those most commonly used for fabrics, it might be assumed that the conversion cost was the amount as already stated, in which case the rate of protection called for would probably be not to exceed 7 per cent.

The following table shows the ad valorem duty required to protect the American producer against English competition, figuring English cost as the difference between English quotations for tops and yarns at Bradford, while American cost is taken as computed by the board. This would include interest in the English costs, but the same has been done by the board in figuring the English costs actually given by it.

Conversion costs of tops into yarn with rates necessary to equalize costs between England and the United States.

[Cents per pound.]

Item.	Two-ply 32's.	Two-ply 40's.
Conversion costs from tops: <sup>1</sup>		
United States (excluding interest).....	14.48	17.99
England (as shown by deducting Bradford quotations of tops from yarns).....	14.20	21.80
Difference.....	.28	+3.81
Mean quotations at Bradford (January to November, 1911) <sup>2</sup> .....	40.30	49.20
Rate of duty necessary to equalize yarn costs:		
Ad valorem.....	( <sup>3</sup> )	.....
Specific.....	.28	.....

<sup>1</sup> Report, p. 650

<sup>2</sup> Report, p. 114.

<sup>3</sup> 0.69 of 1 per cent.

It may be fairly concluded, therefore, that the price showing of the board, taken in conjunction with the figures for conversion cost, the latter being estimated upon the basis of foreign price, would point to the necessity of an ad valorem duty of not more than 7 per cent above the rate on tops. If tops were 5 per cent, as they would be if there were no duty on raw wool, the duty on yarns would thus be 12 per cent. If a duty of 20 per cent were levied on raw wool, the duty on yarns would be from 30 to 35 per cent—say, 32 per cent.

#### D. CLOTH.

The board has computed the cost of production of cloth in a manner decidedly different from that which has been employed in connection with the cost of yarns and tops. For the latter products it ascertained costs by obtaining figures on standard processes, applicable to very large volumes of product, and tabulated them in such a way as to get at unit cost. It has rejected this method in the case of cloth because of the belief that such a plan is not applicable. The board says that it has been obliged to base its relative costs upon specific samples of home and foreign products. This means that it has simply taken selected pieces of cloth and obtained from a few mills cost estimates thereon. The board does not state the number of mills consulted, but a letter from Chairman Emery states that from 3 to 15 mills were asked to figure on each sample in the United States, and that the board does not know how many mills were consulted for each sample abroad. Furthermore, the samples that were estimated upon by the different mills were not in all cases samples made by those mills. The board says:

"Our agent \* \* \* visited the mills with specific samples and worked out with the proper officials the cost under each separate process. \* \* \* By this detailed analysis by processes the estimates came as near to the actual cost as the mill itself was able to make them."

The board submits two classes of samples—the one numbered consecutively from 1 to 53, the other from A to N. The first set of samples were compared chiefly with costs in English mills. "Samples of identical fabrics cut from the same piece were taken to England and to the Continent." These were American cloths. On the samples A to N the costs were secured on "similar cloths." In no case did a German manufacturer figure on the cost of producing an American fabric. They merely selected cloths which "came very near the sample fabric."

1. Character of figures: It should be definitely stated that no confidence whatever can be placed in these figures, for the following reasons:

(a) The cost figures secured were not obtained for identical fabrics produced in the same mills, but were secured for fabrics which were similar; many of which were not produced at all in the mills to which they were submitted, although they might have been.

(b) There is no positive knowledge as to the number or representative character of the mills that made estimates on the samples.

(c) There is no knowledge as to the methods by which the figures secured from the different mills estimating on the same sample were averaged. The board admits that not all of them kept their cost figures on the same basis or in like detail.



(d) Slight variations in fabric or slight errors in selecting mills of the same relative grades of efficiency would in the case of unit costs on single pieces of one fabric give rise to differences which do not seem great in themselves when stated as unit costs, but which in the aggregate would make very large variations in cost of operation for a period of months, weeks, or even days.

While thus absolutely rejecting the board's cost figures on cloths, we may subject the figures to an analysis for the purpose of ascertaining what they indicate with respect to the rates of duty that would be needed in order to protect the American manufacturer were we to accept the theory that a duty equal to difference in cost is required by protective principle.

In column 1 of the following table the number of the sample is given, such number corresponding to the number given in volume 3, pages 651 ff., of the board's report. Column 2 designates the kind of cloth

by representative letters (with key at the bottom of the page). In columns 3 and 4 is shown cloth cost in the United States and in England, respectively. Columns 5, 6, and 7 relate to conversion cost and show American cost, English cost, and the difference between the two. This conversion cost is the outlay required for converting yarn into cloth. The board says (p. 651) that this conversion cost means "the total expense incurred in manufacturing yarn into finished cloth ready for use by the customer. It does not include the cost of the yarn, but does include the amounts expended for both direct and indirect labor, for departmental materials in the several processes of manufacture, and the charge for general expense."

Referring to the board's cost schedule, the general expense schedule is found on page 636, where general expense is analyzed into works expense and fixed charges, the latter including insurance, taxes, depreciation, and other items.

Tariff Board cloth and conversion estimates of samples in United States and in England, with difference in conversion costs, and the resulting tariff duty.

Sample No.—	Kind of cloth.	Cloth cost.		Conversion cost.			Per cent of American conversion cost to United States cloth cost.	Per cent of English conversion cost to English cloth cost.	Per cent of difference in conversion costs.		Rate assumed to equalize duty on yarn.	Resulting tariff duty.
		In United States.	In England.	American.	English (same cloth).	Difference.			To American cloth cost.	To English cloth cost.		
1.	F	\$0.295	\$0.1535	\$0.080	\$0.0401	\$0.0399	27.12	26.12	13.53	25.99	30	55.99
2.	G	.28	.224	.083	.0415	.0415	29.64	18.53	14.82	18.53	30	38.53
3.	F	.248	.1518	.089	.0488	.0402	35.89	32.15	16.21	26.48	30	56.48
4.	G	.323	.1796	.106	.065	.041	32.82	36.19	12.69	22.83	30	52.83
5.	F	.337	.1996	.118	.0556	.0624	35.01	27.86	18.52	31.26	30	61.26
6.	F	.447	.2872	.127	.0572	.0698	28.41	19.92	15.62	24.30	30	54.30
7.	F	.438	.2566	.132	.0614	.0706	30.14	23.93	16.12	27.51	30	57.51
8.	E	.52	.3391	.133	.0661	.0669	25.58	19.49	12.87	19.73	30	49.73
9.	C	.772	.4134	.145	.0689	.0761	18.78	16.67	9.86	18.41	30	48.41
10.	F	.595	.3378	.165	.0698	.0952	27.73	20.66	16.00	28.18	30	58.18
11.	B	.869		.165	.081	.084	18.99		9.67		30	
12.	B	.649	.3451	.168	.0777	.0903	25.89	22.52	13.91	26.17	30	56.17
13.	C	.453	.3323	.174	.0863	.0877	38.41	25.97	19.36	26.39	30	56.39
14.	C	.654	.405	.178	.0777	.1003	27.22	19.19	15.34	24.77	30	54.77
15.	E	.798	.3654	.190	.0853	.1047	23.81	23.34	13.12	28.65	30	58.65
16.	E	.692	.4721	.212	.1107	.1013	30.64	23.45	14.64	21.46	30	51.46
17.	E	.68	.4667	.212	.1067	.1053	31.18	22.86	15.49	22.56	30	52.56
18.	C	.702		.213	.094	.119	30.34		16.95		30	
19.	B	.74		.215	.091	.124	29.05		16.76		30	
20.	E	.716	.5037	.216	.1034	.1126	30.17	20.53	15.73	22.35	30	52.35
21.	B	.729	.4397	.217	.089	.128	29.77	20.24	17.56	29.11	30	59.11
22.	C	.894	.4911	.222	.1193	.1027	24.83	24.29	11.49	20.91	30	50.91
23.	B	.835	.47	.235	.104	.131	28.14	22.13	15.69	27.87	30	57.87
24.	G	.811	.6061	.240	.0985	.1415	29.59	16.25	17.45	23.35	30	53.35
25.	G	.903	.546	.245	.1136	.1314	27.13	20.81	14.55	24.07	30	54.07
26.	G	.799	.5175	.249	.109	.140	31.16	21.06	17.52	27.05	30	57.05
27.	E	.998	.4763	.250	.1043	.1457	25.05	21.90	14.60	30.59	30	60.59
28.	C	.847	.408	.254	.098	.156	29.99	24.02	18.42	38.24	30	68.24
29.	B	.828		.258			31.16				30	
30.	D	1.11	.701	.265	.117	.148	23.87	16.69	13.33	21.11	30	51.11
31.	C	1.206		.282	.1114	.1705	23.38		14.15		30	
32.	C		.5006	.290	.1078	.1822		21.53		36.40	30	66.40
33.	E	1.042	.6833	.291	.1357	.1553	27.93	19.86	14.90	22.73	30	52.73
34.	D	.965	.4711	.293	.1207	.1723	30.36	25.62	17.85	36.57	30	66.57
35.	E	1.494		.294			19.68				30	
36.	B	1.555	1.10	.300	.154	.146	19.28	14.00	9.38	13.27	30	43.27
37.	A	1.26	.8421	.300	.1436	.1564	23.81	17.05	12.41	18.67	30	48.67
38.	D	1.66	.7425	.311	.1165	.1945	26.67	15.69	16.68	26.19	30	56.19
39.	B	1.06		.320			30.19				30	
40.	E	1.063		.359			33.77				30	
41.	A	1.141	.701	.360	.2053	.1547	31.55	20.29	13.56	22.07	30	52.07
42.	B	1.417	.85	.362	.152	.210	25.55	17.88	14.82	24.71	30	54.71
43.	E	1.104		.364			32.97				30	
44.	A	1.661	1.054	.365	.1877	.1773	21.97	17.81	10.67	16.82	30	46.82
45.	D	1.504	.9512	.370	.1671	.2029	24.60	17.57	13.49	21.33	30	51.33
46.	A	1.709	1.0996	.386	.1861	.1999	22.59	16.92	11.70	18.18	30	48.18
47.	A	1.503	.9152	.382	.16	.222	25.42	17.48	14.77	24.26	30	54.26
48.	A	1.349	.8190	.392	.1924	.1996	29.05	23.49	14.80	24.37	30	54.37
49.	B	1.332	.7641	.395	.1512	.2448	29.73	19.79	18.38	32.04	30	62.04
50.	D	1.445		.402			27.80				30	
51.	A	1.789		.603			33.71				30	
52.	D	2.136	1.257	.632	.2376	.3944	29.59	18.90	18.46	31.38	30	61.38
53.	A	2.223	1.234	.693	.339	.354	31.03	27.47	15.85	28.69	30	58.69

A. Staples and piece dyes. B. Serges. C. Fancy woollens. D. Fancy worsteds. E. Women's wear. F. Lightweight women's wear. G. Cotton warp.

2. Mode of computing tariff: It is evident that to ascertain the tariff on the board's theory needed to protect the American manufacturer in the process of cloth making the English conversion cost must be deducted from the American, as is done in column 7, and the difference must be regarded as the amount of protection needed. In columns 8 and 9 the relation of total American conversion cost to total English cloth cost and the percentage of English conversion cost to total English cloth cost have been figured, for reasons which will later appear. In columns 10 and 11 are given the percentage of the difference in conversion cost to American cloth cost and to English cloth cost. There may be a division of opinion which of these should be used as the basis for figuring the tariff duty required. Taking the most extreme case, however, it may be assumed that an English manufacturer produces cloth at the cost indicated by the board, ships it to the United States without expense for transportation and without interest on capital, commission charges, or other outlays of the kind, and sells it in the American market. In that case, if he sold at cost, the American producer would need a tariff based on the English cost as compared with the difference in conversion cost, supposing that the duties were to be levied upon an ad valorem basis.

These figures are given in column 11 and range from 13 per cent up to 38 per cent or more. The average is 24.45 per cent. This figure may be taken, then, as the extreme rate of duty needed to protect the American manufacturer on the basis of cost of production under the theory of the board, accepting its cost figures as unquestionably correct.

It will be noted, however, that this duty amounts only to a protection on the process of making cloth. It must, therefore, be added to the duty properly to be levied under the board's figures upon the

material, yarn, of which cloth is made. In order to get absolutely correct results on this subject it would be necessary to have cost figures, from the raw material up, for every kind of yarn used in the manufacture of these cloths. Those can not be obtained, because the board does not give complete figures for every ply and count of yarn. It may, however, fairly be assumed that the board is honestly representing the case in stating that the costs for yarn which it has presented, as well as its cost for tops, are representative. Supposing that to be true and accepting the average cost of production of its tops and yarns as the basis for duty upon the yarns used in producing each of these representative samples, it will be found (see tabulation elsewhere) that the cost figures on yarns and tops point to the necessity of an average duty of, say, 30 per cent on the yarn in order to equalize differences in cost of production. The same duty must then, of course, be applied to the cloth cost as a basic rate under the conditions fixed by the board.

This estimated rate has been set down in column 12 as the addition which should be made to the duties presented in column 11 for the purpose of getting at the total required duty. In column 13 is presented the combination of the two duties enumerated in columns 11 and 12, which represents the total tariff duty on these samples required under the board's figures. It will be found that this makes an average duty in the aggregate (foot of column 13) amounting to about 55 per cent.

However, for the purpose of practical legislation this can not be accepted as the basis of action. It has already been noted that no allowance was made for transportation from England to the United States, nor for the actual and necessary capital cost, independent of profit necessary for carrying the goods, insuring them in transit, paying commissions in this country, and placing them on the market. It will be regarded as a very conservative estimate to figure this outlay at 10 per

cent of the cost of goods from the factory to the retailer, entirely independent of profit, and this leaves 45 per cent. Moreover, it will have been noted that in certain portions of the discussion of estimated cost of yarns, figures were given which included an element of profit, be-

cause the board presented the data in this manner. If this item included for profit were eliminated, the figures of cost would be correspondingly reduced, and the rates of duty needed for protection would be likewise lessened.

German and American sample cloth and conversion costs, with per cent of conversion cost, and resulting tariff duty.  
[Tariff Board Report, pp. 694 to 704.]

Sample No.	Kind of cloth.	Cloth cost (including selling expense).		Conversion cost.			Per cent of American conversion cost to United States cloth cost.	Per cent of German conversion cost to German cloth cost.	Per cent of difference in conversion cost—		Rate assumed to equalize duty on yarn.	Resulting tariff duty.
		In United States.	In Germany.	American.	German.	Difference.			To American cloth cost.	To German cloth cost.		
A.....	Worsted suitings.....	\$1.71	\$1.119	\$0.495	\$0.283	\$0.212	28.95	25.29	12.40	18.95	30	48.95
B.....	do.....	1.86	1.222	.50	.278	.222	26.88	22.75	11.94	18.17	30	48.17
C.....	Black drapery worsted.....	2.2462	1.522	.784	.489	.295	34.90	32.13	13.13	19.38	30	49.38
D.....	Fine worsted.....	2.2333	1.328	.71	.436	.274	31.79	32.83	12.27	20.63	30	50.63
E.....	Fancy worsted.....	1.5625	1.129	.413	.246	.167	26.43	21.79	10.69	14.79	30	44.79
F.....	Men's heavy serge.....	2.321	1.395	.666	.370	.296	28.69	26.52	12.75	21.22	30	51.22
G.....	Men's serge.....	1.9778	1.208	.527	.315	.212	26.65	26.08	10.72	17.55	30	47.55
H.....	Fancy worsted.....	1.398	.8997	.47	.286	.184	33.62	31.79	13.16	20.45	30	50.45
I.....	Unfinished worsted.....	1.684	1.086	.47	.285	.205	27.91	24.40	12.17	18.88	30	48.88
J.....	Fancy worsted.....	1.471	1.052	.521	.301	.220	35.42	28.61	14.96	20.91	30	50.91
K.....	do.....	1.782	1.10	.522	.288	.234	29.29	26.18	13.13	21.27	30	51.27
L.....	Fancy serge.....	1.638	1.053	.558	.31	.248	34.07	29.44	15.14	23.55	30	53.55
M.....	Fancy worsted.....	1.846	1.232	.486	.275	.211	26.33	22.32	11.43	17.13	30	47.13
N.....	do.....	1.728	1.208	.468	.257	.211	27.08	21.27	12.21	17.47	30	47.47

The same method of computation has been followed in Table 14 with regard to German costs. These have been averaged in a similar manner, showing the supposed need of an average tariff duty on the process of cloth making amounting to 19.28 per cent. Adding this to the yarn costs, it appears that the total average rate of duty required to protect against Germany would be 51 per cent, or, on a basis of 30 per cent yarn duty, 49 per cent. If the same deduction of 10 per cent were made, as in the case of the other collection of samples, the remaining duty would be 39 per cent.

All these cloths were included under paragraphs 5 and 7 of H. R. 11019, vetoed by President Taft, at 40 and 45 per cent ad valorem.

The average duty on German and English cloths, as figured above, if they were to be combined in a weighted or true average, would be about 46 per cent. The rates in paragraphs 5 and 7 of H. R. 11019 were 40 and 45 per cent, respectively.

3. Equalization of costs: Further analysis of the table throws much light on the situation in respect to cloth cost in the United States and abroad and the rates of duty supposed to be necessary to equalize these costs. Considering the table without any reference to the duties on yarn or the total tariff duties, and simply with regard to the data indicated as being necessary by reason of the difference in cost of production, it is seen that very wide variations of cost difference are to be noted. Thus, in column 11, showing the per cent of difference in conversion cost stated as an ad valorem percentage of the English cloth cost, it is seen that some figures run as high as 36 1/2 per cent in England, while other figures run as low as 16.82 per cent. It is an obvious fact that a rate of duty which would, on the board's theory, protect the American manufacturer against English competition in one case would not be satisfactory in the other. A number of the sample cloths studied by the board show less than 25 per cent, while several run higher than that. Analyzing the column further, it is found that nearly one-half of the total number are below 25 per cent.

There is no explanation of the reasons for the extreme variation in the board's report, but it would appear to be largely due to differences in the cost of the yarn stock. In columns 3 and 4 are given the cloth cost in the United States and in England, and in columns 5 and 9 the cost of conversion in American and English mills. While there are considerable differences in the conversion costs per yard, it seems evident from a study of the figures that the principal foundation for differences between the United States and England is the variation in yarn-stock cost. It will be observed in columns 3 and 4 that in the more expensive fabrics the difference in cloth cost is large, but that it does not necessarily follow that a disproportion of the great difference in conversion cost exists. For example, sample No. 46 shows a cloth cost in the United States of \$1.71, while in Great Britain the cloth cost is \$1.10. Yet the conversion cost in the United States was 38.6 cents and in England 18.61 cents.

Although there was a difference of 61 cents in cloth cost, this particular sample showed no greater margin of difference than did others. About 41 cents per yard was due to the difference in yarn-stock cost. In a similar way sample No. 12 shows a cloth cost in the United States of 64.9 cents, while in England the cost is 34.51 cents, a difference of approximately 30 cents. The difference in conversion cost was about 9 cents, the conversion cost in the United States being nearly 17 cents. Thus of the difference in cloth cost fully 21 cents, or nearly one-third of the cloth cost in the United States, was due to differences in yarn-stock cost. Without going into this phase of the subject at greater length, it may be said generally that the higher differences in cost of production are due to the higher cost at which the United States is compelled to get its yarn, and that this, as seen in our sections on yarn and tops, is primarily due to the unequal working of the duty on raw wool, which works unevenly upon wools of different fineness and spinning quality. If such inequalities were removed much of the variation in differences of cost between the United States and England would disappear and there would be a tendency to reduce differences in cost toward the level of the fabrics which show the lower differences.

4. Variation by countries: The figures in Table 14, contrasted with those in Table 13, show that the amount of duty needed to equalize difference in production between the United States and Germany are very much smaller than those needed to equalize differences between the United States and England. As there shown, the average percentage of difference in conversion cost, figured as an ad valorem of German cloth cost, is less than 20 per cent, and in the case of one fabric runs below 15 per cent. This presumably shows that the cost of production in Germany is higher than in England, as compared with the United States. The comparison can not be an accurate one, since the board's analysis of samples did not employ the same fabrics for competitive purposes in its study of conditions in Germany as in England,

but the tendency may fairly be stated as already indicated. It is therefore worth noting that certain German fabrics show, according to the board's figures, necessity for a smaller amount of duty than for any of the fabrics included in the English list. This is doubtless due to conditions under which the raw material is obtained. For example, sample E, in Table 14 shows, a cloth cost in the United States of \$1.56 and in Germany of \$1.13. The conversion cost in the United States was 41.3 cents and in Germany 24.6 cents, or a difference of 16.7 cents. This was a case where cost of raw material was decidedly high as compared with the cost of most of the raw material used in the English fabrics, and where the difference in conversion cost was therefore a comparatively small percentage of the total cost. With this may be contrasted sample H, which shows an American cloth cost of \$1.40 and a German cloth cost of 90 cents, while the difference of conversion cost was 18.4 cents. Here the difference between the cloth cost between the two countries was 50 cents, as against the difference of 43 cents in the case of sample E, but the lower basis of ad valorem computation in the case of sample H led to a relatively higher rate of duty—20.45 per cent. Many of these wide margins of difference, not only between different fabrics in the same country, but between different fabrics in different countries, would be eliminated. If all were placed upon the same footing with reference to access to raw material, free raw material in the United States would probably give us a distinct advantage over some foreign countries that produce woolsens, this difference being probably in not a few instances sufficient to more than offset the differences in conversion cost. Under present conditions, what is sufficient protection against one country is not, according to the board's report, sufficient protection against others, while an adequate duty directed against the products of the stronger competitive countries imposes an unnecessary disadvantage upon those which are thus placed under the obligation of paying a high rate of duty more than corresponding to the difference in cost.

Keeping in mind the fact that there are many differences in cost among American mills themselves, the policy which imposes duty at a rate sufficiently high to protect against the most efficient mills abroad, levying the same rate on the goods which come from countries not so favorably situated with reference to raw material, gives large degree of protection to the products of American mills of the less efficient class, and enables them to continue in business in certain classes of fabric with costs of production that are needlessly high and that both might and would be very easily reduced, were they subject to even a moderate amount of competition from foreign mills. While, as already stated, there is no reason to regard the sample study of the board as entitled to confidence, the results, so far as they indicate anything, emphasize the necessity for either assigning rates of duty on a basis to protect the most efficient domestic mills against the most efficient mills abroad or reclassifying fabrics with a view to lowering the rates upon those that can bear such cuts better than others. If either of these inferences from the board's figures as to the cost of sample fabrics were to be accepted, the rate of duty considered necessary for protective purposes would be greatly less than that which has already been indicated.

#### E. READY-MADE CLOTHING.

The board has investigated the subject of ready-made clothing and has reported on this subject in Volume III (pt. 4, pp. 843-846), in which is furnished information concerning men's and women's ready-made clothing, knit goods, etc.

Discussing the cost of men's suits (p. 860), it is found in the case of cheap suits (\$8 and under) the material cost is about 47.1 per cent, the trimmings 13.7, or a total of 60.8 per cent. Manufacturing cost, including direct labor and factory expense, is 22 per cent, while overhead expense is 6.9 per cent and profit is 10.1 per cent. From this it is clear that the amount of tariff duty left upon the goods going into the suit itself should be the same to the extent of 60.8 per cent of the suit, as on the raw material of which it is composed. If there were a duty of 45 per cent upon the cloth and trimmings used in the manufacture of a suit, this presumably should represent the rate of duty upon the finished product so far as that consists of the material thus made dutiable. In other classes of manufacture the method adopted by the board in estimating tariff duties has been to figure the difference between the production cost, exclusive of material, in the United States and foreign countries, and then to add this difference as an excess tariff duty over and above the duty on the raw material.

The question with reference to ready-made clothing is, therefore, whether 30 per cent of the costs of manufacturing clothing which is found to be due to labor and factory expense and overhead charges is greater in the United States than abroad. There is no definite information in the board's data regarding the cost of manufacturing clothing, inasmuch as costs do not appear to have been ascertained



abroad upon the same basis. About all that can be said, therefore, is that, so far as the board's information goes, there is no reason for increasing the tariff on ready-made clothing above the rate of tariff imposed upon the cloth and material out of which such clothing is made. The rate of duty fixed in H. R. 11019 upon ready-made clothing was 45 per cent, which was the highest rate given upon any article provided for in the bill except carpets (par. 17). The board furnishes a number of indirect reasons for thinking that no excess duty is needed for the purpose of protecting the ready-made clothing industry against supposed excess cost in foreign countries. It states that the total annual manufacture of ready-made clothing in this country in 1909 was about \$486,000,000 for men's and \$385,000,000 for women's wear, making a total of more than \$870,000,000.

The amount of importations of ready-made clothing under the tariff law in 1910 was \$1,776,236, and the amount which was estimated as likely to be imported under H. R. 11019 during a 12-month period about \$5,000,000. H. R. 11019 proposed to reduce the rate from 81.31 per cent (equivalent ad valorem for 1910) to 45 per cent. The fact is that ready-made clothing is an article which does not pass to any great extent into international trade, owing to the fact that there are large differences in styles between the countries, and that very large variations in cost may occur without greatly affecting the trade in such clothing. It is probable that a large proportion of the small amount of our imports of ready-made clothing at the present time represent the value of goods brought home by returning travelers, and have no relation whatever to the rates of the tariff. The board, moreover, makes it clear that probably one-third of the existing retail price of ready-made clothing represents charges for retailing, advertising, etc., all of which items are probably the subjects of competition and need not be provided for in the tariff as the subjects of special protection.

Very little attention need be given to the board's estimate of the cost of different elements entering into the manufacture of different garments. The inquiry of the board was conducted entirely by the sample method, and may, or may not, have represented the general average cost in the industry. It is an interesting fact that in analyzing typical suits, the cost of Ohio wool has been used as the basis for the computation, notwithstanding the fact that the Ohio wool does not sell in the market any higher than wool of similar quality from other sources, although its expense of production was found to be very much greater than wool grown in the States farther west. Therefore, so far as the board's incomplete data on ready-made clothing afford light upon duties, they would appear to indicate a tariff identical with that on the cloth used in making the clothing.

#### F. KNIT GOODS.

In connection with its discussion of ready-made clothing, cost analyses are given by the board (pp. 911-946) with reference to sample knitted garments, such as sweaters, mittens, etc. Here, as in the case of the ready-made clothing, comparative data for foreign countries are absent. The analysis is made from the establishments of the United States, and the effort of the board has been to segregate the different items of cost, so as to show the cost of stock, labor, and factory expense. The general showing made by the board is that the materials used consist of the coarser grades of yarn, while the processes of manufacture are apparently less costly than those producing cloth. Thus, for example, in the sample study made by the board it was found that, for instance, in sample 49, the stock cost of the sample was 94 cents per yard, while American conversion cost was 40 cents, making a total cloth cost of \$1.34. In English mills the yarn for a yard cost 61 cents, and the manufacturing cost was 15 cents, giving a total cloth cost of 76 cents per yard. The labor in the conversion cost for the United States was found to be 21.3 cents per yard. Contrasting this with the Cardigan jacket, taken by the board as a sample in the knit-goods investigation (p. 920), it was found that the cost for stock and trimmings in a dozen garments was \$11.68, while the conversion cost was \$8.16. The total mill cost, therefore, was \$19.84.

In the United States the labor outlay for converting yarn (No. 49) into cloth was about 16 per cent, while in the case of the knit goods the labor outlay was about 30 per cent of the total. The labor outlay on sample No. 49 was, however, about 54 per cent of the actual conversion cost from yarn to finished goods, while in the Cardigan jacket it was about 70 per cent. In their samples it appears that the labor cost of conversion is about two-thirds of the total cost of conversion, while numerous instances are given by the board in which the relationship between labor cost of conversion from yarn to finished cloth is substantially the same, or is higher. There appears to be no reason, therefore, for assuming that any larger allowance for protection should be made upon knit goods than upon ready-made clothing or fabrics. The knit goods are made from the lower and coarser qualities of yarn, and there is less difference in the cost of production, probably, of such yarns between the United States and foreign countries than there is on the finer yarns when labor and capital costs are considered. The fair inference would be, therefore, that the duty required on the knit goods would be less than the duty called for upon fabrics.

#### G. CARPETS.

No data whatever are furnished by the board with reference to carpets except a few general statements concerning the position of the industry in Volume I (pp. 169-188). These statements are purely descriptive of methods of manufacture, amounts of importation and exportation, etc. The tariff history with reference to carpets is given. The board points out (p. 169) that the difficulty in fixing tariff rates on carpets has been to arrange matters in such a way that the rates should prevent the introduction of third-class wool and its use as a substitute for clothing wool. This is a difficulty which grows out of the application of specific duties, with considerable variations in the amount of wastes produced in the process of manufacturing, etc. If an ad valorem duty is levied upon third-class wools, upon the same basis as on the first and second class, the difficulties arising out of variations in compensation involved in the specific-duty system are removed. Assuming that the ad valorem charge on carpet wools is the same as on other wools, two questions arise in connection with tariff duties (1) whether the relation between the raw material employed in the manufacture of the finished product bears approximately the same relationship to the value of labor in carpets as is the case of fabrics made from the finer wools, and (2) whether the industry employs about the same proportion of tax-free materials as does that which deals with fabrics.

On these points the board furnishes little or no information, and what it does furnish is incidental to its discussion of other phases of the industry. The conclusion to be drawn from the statistical matter furnished is that, owing to the use of raw materials other than wool, which are dutiable at a much lower rate, or are free of duty, there is much less reason for the levying of duties at the same rate on carpets as upon fabrics. The fact that the raw material is so much less valuable than in the case of the fabric tends to reduce the value

of the stock cost as compared with the labor cost entering the product. If these two factors be considered to offset each other, in a measure, the rate of duty on carpets might be regarded as about the same as that placed on the coarser fabrics, whatever that may be. In proportion as the quantity of materials other than wool increases the amount of nontaxed material in the goods also increases, and hence the aggregate amount of duty, which has been sustained in turning out a product of a given value, is reduced. How great a reduction this should permit in the rates of duty as compared with the maximum rate to be authorized upon the best grades of carpets can not be stated on the basis of anything contained in the report of the board.

The board's report, however, shows a materially smaller difference in cost between the United States and other countries with respect to the coarser varieties of carpets, which employ less labor and capital relatively to the amount of material included in them. The lower counts of yarn have a decidedly lower cost of production, both absolutely and relatively, than do the higher counts employed in the manufacture of the better grades of fabrics. The inference to be drawn, therefore, from this part of the report is that a reduction of duty on the lower grades of carpets, not only because of the smaller proportion of taxed materials in them, but also because of the fact that so much less actual labor is employed, unit for unit, in their production. The rate of reduction in the duties on carpets below the maximum rate assigned to the best grades of carpets can not, therefore, be measured as a percentage of the amount of duty charged over and above the rate on raw wool. This would be true only if carpets were composed exclusively of wool, or at all events in the same proportion that holds good of the other fabrics. Where the use of other raw materials has entered this is not the case. This situation is recognized by the board in connection with its study of cloths, where it points out that its rates of compensatory duty apply to fabrics made wholly of wool (p. 626), but that the situation is different where cheaper materials are employed, while there is no test that will disclose the proportion of nolls, shoddy, etc., to new wool in the many varieties of fabric.

There is nothing whatever in the board's report which affords any reason for modifying or changing the rates on carpets fixed in H. R. 11019 in relation to the other rates fixed in that bill. Should a change be made in the rates on raw wool, tops, and yarns as compared with those carried in H. R. 11019, reason would be afforded for changing the rates on carpets, but the former products remaining the same there is nothing whatever to support a change in the rates in the carpet paragraphs.

#### RECAPITULATION ON TARIFF BOARD REPORT.

1. The theory of applying tariff duties according to the difference in the cost of production in this and in foreign countries, upon which the board has projected and prepared its report, is entirely erroneous and untenable. Furthermore, if this theory could have been systematically and carefully applied, it would not have afforded trustworthy results for guidance in preparing tariff legislation.

2. The board's report is fragmentary and incomplete, and rests on an incorrect statistical basis. Hence it has no claims to confidence for the results set forth therein, even should the reliability of the theory of the cost of production be conceded.

3. Those persons who are willing to overlook the lack of theoretical soundness and of statistical accuracy will find the data of the report too fragmentary and incomplete to admit of conclusions with reference to rates of tariff duty. Even under the most favorable interpretation of the report conclusions as to duties can be reached for only a few paragraphs of the wool schedule, and for these paragraphs it is not possible to formulate definite conclusions, because the figures vary widely and seriously lack uniformity and comparability. So much is this the case that justification is apparently afforded in the report for rates that are in conflict with one another. It is thus seen that the report leaves the question of the tariff duties on wool as much unsolved as before the Tariff Board was formed.

4. So far as conclusions can be drawn from the board's report, it furnishes nothing to justify any change in the rates proposed in H. R. 11019. With full recognition of the incomplete, fragmentary, and unsatisfactory nature of the data, and with full admission of the inadequate and unreliable basis afforded for computations, the following table may be regarded as setting forth as well as it is possible to do the conclusions as to the rates of duty justified by the report.

Comparative equivalent ad valorem rates of duty in 1910 and 1911 with those of H. R. 22195, together with the rates computed from the Tariff Board report as equalizing cost of production.

Item.	Ad valorem rates per cent.			
	Equivalent, computed from imports of—		H. R. 22195.	Computed from Tariff Board report.
	1910	1911		
Unmanufactured wool.....	44.31	42.20	20	0-25
Nolls, wastes, shoddies, mungo, flocks, etc., and all other wastes or rags composed wholly or in part of wool, n. s. p. f.	38.96	34.99	20	0-
Combed wool or tops.....	111.73	(1)	25	5-3
Wool and hair advanced in any manner, n. s. p. f.....	86.33	89.93	25	5-0
Combed wool or tops, and wool and hair advanced, etc.....	105.19	89.93	25	5-4
Yarns made wholly or in part of wool.....	82.33	76.61	30	12-
Cloths, knit fabrics, felts not woven, and all manufactures of wool, n. s. p. f.....	97.11	95.26	40	32-70
Blankets and flannels.....	95.57	93.06	30 and 45	(2)
Dress goods, women's and children's, coat linings, Italian cloths, bunting, and similar goods, n. s. p. f.....	102.85	102.11	45	32-70
Clothing, ready-made, and articles of wearing apparel of every description, including shawls, whether knitted or woven, and knitted articles of every description, etc.....	81.31	78.06	45	32-70
Webbings, gorings, suspenders, braces, bandings, etc.....	87.06	84.76	35	(2)
Carpets and carpeting.....	60.65	61.62	25-50	(2)

<sup>1</sup> Combed wool or tops not reported.

<sup>2</sup> No data furnished by Tariff Board.

In making the computations from which have resulted the rates shown in Table 15, as justified by the Tariff Board's data, the most expensive and difficult conditions indicated by the data as attending production have been employed with a view to being more than just in the conclusions. As will be observed from the figures shown, the necessity of protection to equalize the difference in the cost of production beyond the rates carried by H. R. 11019 exists in but few instances, and these are in all probability the result of the high costs which have been presented and used by the board in the computations.

5. In preparing H. R. 11019 of last session and H. R. 22195 of this session no intentional provision was made for protection, the endeavor being to reduce and adjust rates so as to produce the largest amount of revenue consistent with the proper consideration of the consumer. It is believed that the rates of this bill approach very closely, at least, to the

best revenue-producing points, and these rates should, if enacted into law, permit such quantities of imports as will effectively regulate domestic prices. Such competition would be an important service to the people, as it would encourage increased consumption and production by making more nearly normal the conditions of supply and demand. The report of the Tariff Board, so far as it admits of conclusions, shows that the rates which meet the consumer's needs also sufficiently satisfy those of the producer.

## REVENUE OF H. R. 22195.

As the committee is resubmitting to the House the bill presented at the last session of Congress, with no change of basis or rates, no change in its revenue estimate is called for. In the following table is presented with other data the results of the computation furnished in the report which accompanied H. R. 11019 (H. Rept. 45, 62d Cong., 1st sess.):

Summary of imports and duties for the fiscal years 1910 and 1911, with estimated imports and duties for a 12-month period under H. R. 22195.

Item.	Paragraph number.		Year.	Quantity.	Value.	Duties.	Average unit of value.	Equivalent value rate of duty (act of 1909).	Twelve-month period under H. R. 22195.		
	H. R. 22195.	Act of 1909.							Rate of duty (per cent).	Estimated imports.	Estimated duties under new rates on estimated imports.
Unmanufactured wool (pounds).....	1	360-371	1910 1911	256,606,638.14 165,900,839.08	\$47,087,293.20 29,572,238.52	\$21,128,728.74 12,482,854.91	\$0.186 .178	44.31 42.20	20	\$66,991,000.00	\$13,398,200.00
Noils, wastes, shoddies, mungo, flecks, etc., and all other wastes or rags composed wholly or in part of wool, n. s. p. f. (pounds).....	2	372-374	1910 1911	577,720.00 461,299.00	203,509.25 191,391.00	79,293.00 66,963.90	.352 .415	38.96 34.99	20	890,535.00	178,107.00
Combed wool or tops, and wool and hair advanced in any manner, n. s. p. f. (pounds).....	3	375,376	1910 1911	2,101.25 124.03	1,129.80 130.35	1,188.41 117.22	.538 1.05	105.19 80.99	25	732,508.00	183,128.00
Yarns made wholly or in part of wool (pounds).....	4	377	1910 1911	259,888.30 177,535.48	326,886.02 186,654.03	269,296.16 143,004.74	.908 1.05	82.38 76.61	30	1,373,937.00	412,181.00
Cloths (pounds).....			1910 1911	5,897,629.98 4,828,553.08	6,104,140.39 5,226,551.07	5,937,753.72 4,985,414.93	1.03 1.08	97.27 95.39	23, 102, 123.00	1,924,840.00	
Knit fabrics (not wearing apparel) (pounds).....			1910 1911	34,562.54 14,368.00	36,999.88 14,857.00	35,430.67 14,413.25	1.07 1.03	95.76 97.01			
Felts (pounds).....			1910 1911	90,022.95 78,249.00	107,018.43 96,892.24	103,821.16 92,564.97	1.19 1.24	97.01 95.53		310,230.00	124,092.00
Plushes (pounds).....			1910 1911	18,421.38 15,017.00	16,726.46 11,709.00	17,117.80 12,082.53	.908 .90	102.34 103.20			
All other manufactures, n. s. p. f. (pounds).....			1910 1911	362,975.75 297,192.82	393,402.91 336,932.09	371,760.96 312,820.14	1.08 1.13	94.50 92.84		680,000.00	200,000.00
Cloths, knit fabrics, felts not woven, and all manufactures of wool, n. s. p. f. (pounds).....	5	378	1910 1911	6,403,612.60 5,226,374.90	6,658,288.07 5,686,942.10	6,465,884.31 5,417,235.82	1.04 1.09	97.11 95.26	40	\$24,062,353.00	\$9,624,941.00
Blankets (pounds).....			1910 1911	53,624.90 43,112.84	45,995.47 55,832.59	33,767.77 41,808.12	1.07 1.05	73.42 74.58		95,897.00	28,769.00
Flannels.....			1910 1911		122,894.35 86,029.30	127,644.93 91,062.50		103.87 105.85		162,533.00	72,882.00
Blankets and flannels.....	6	379	1910 1911		168,889.82 141,861.89	161,412.70 132,870.62		95.87 93.66	30 and 45	258,430.00	101,651.00
Dress goods, women's and children's, coat linings, Italian cloths, bunting, and similar goods, n. s. p. f. ....	7	380, 381	1910 1911		9,218,374.10 6,364,272.67	9,481,206.75 6,498,616.36		102.85 102.11	45	25,408,458.00	11,433,806.00
Clothing, ready-made, and articles of wearing apparel of every description, including shawls, whether knitted or woven, and knitted articles of every description, etc. (pounds).....	8	382	1910 1911	\$60,412.87 926,616.02	1,776,236.34 2,257,374.13	1,444,296.87 1,762,093.68	2.06 2.44	81.31 78.06	45	5,066,362.00	2,279,863.00
Webbings, gorings, suspenders, braces, bandings, etc. (pounds).....	9	383	1910 1911	41,756.00 36,998.98	77,161.70 74,718.26	67,174.54 63,330.54	1.85 2.02	87.06 84.76	35	160,898.00	56,314.00
Aubusson, Axminster, moquette, and chenille carpets, etc. ....	10	384	1910 1911	23,084.90 24,351.31	62,700.00 46,935.00	38,930.65 33,384.79	2.71 1.93	62.09 71.13	40	79,346.00	31,738.00
Saxony, Wilton, and Tournay velvet carpets, etc. ....	11	385	1910 1911	20,450.93 17,204.44	40,711.00 40,183.00	28,554.96 26,395.86	1.99 2.34	70.14 65.69	35	51,134.00	17,897.00
Brussels carpets, etc. ....	12	386	1910 1911	6,781.75 5,507.25	8,222.00 7,567.00	6,272.77 5,449.99	1.21 1.37	76.29 72.02	30	9,992.00	2,998.00
Velvet and tapestry velvet carpets, etc. ....	13	387	1910 1911	23,056.73 23,903.56	41,058.00 45,288.00	25,645.89 27,316.62	1.78 1.97	62.46 60.32	35	51,722.00	18,103.00
Tapestry Brussels carpets, etc. ....	14	388	1910 1911	163.00 446.30	187.00 407.07	120.44 287.78	1.15 .912	64.41 70.70	30	235.00	71.00
Treble ingrain, 3-ply, and all-chain venetian carpets, etc. ....	15	389	1910 1911	1,853.00 4,835.00	1,675.00 4,253.00	1,077.66 2,764.90	.904 .88	64.34 65.01	30	1,763.00	529.00
Wool, Dutch, and 2-ply ingrain carpets.....	16	390	1910 1911	27.50 10.00	22.00 12.00	13.75 6.60	.80 1.20	62.50 55.00	25	24.00	6.00
Carpets of every description, woven whole for rooms, and oriental, Berlin, Aubusson, Axminster, and similar rugs.....	17	391	1910 1911	1,004,009.23 886,151.09	4,392,786.43 3,686,366.89	2,660,723.16 2,272,082.85	4.37 4.16	66.57 61.64	50	5,582,157.00	2,791,079.00
Druggets and bookings, etc. ....	18	392	1910 1911	36,537.89 24,866.77	30,587.00 21,524.00	20,273.13 14,080.29	.837 .865	66.28 65.42	25	38,791.00	9,698.00
Carpets and carpeting of wool, flax, or cotton, or composed in part of any of them, not specially provided for in this section, and mats, matting, and rugs of cotton.....	19	393	1910 1911		49,535.25 67,270.23	24,756.11 33,635.11		50.00 50.00	25	62,824.00	15,706.00
Carpets and carpeting.....	10-20	384-394	1910 1911		4,627,483.68 3,919,806.19	2,806,368.52 2,415,404.79		60.65 61.62	25 to 50	5,877,988.00	2,887,825.00
Total manufactures of wool.....			1910 1911		23,057,958.78 18,823,150.82	20,776,121.26 16,499,697.67		90.19 87.65	42.55	63,831,469.00	27,157,816.00
Total wool and manufactures of wool.....			1910 1911		70,745,251.98 48,395,409.34	41,904,850.00 28,982,552.58		59.23 59.89	31.00	130,822,469.00	40,556,016.00

<sup>1</sup> Includes plushes and other pile fabrics.

<sup>2</sup> Includes \$3 free of duty.

<sup>3</sup> Does not include knit fabrics not wearing apparel, which, in table estimated on the basis of net consumption are included among wearing apparel clothing, ready-made, etc.

As indicated in Table 16, the committee estimates that the duties during the first 12-month period under H. R. 22195 will amount to \$40,556,016, which compares with \$41,904,850 for 1910 and \$28,982,553 for 1911. It is believed by the committee that no loss in revenue will result from the enactment of H. R. 22195, but that the bill will produce probably as much as in 1910, while at the same time the yearly burden

resting upon the people owing to the cost of woollen clothing will be reduced by more than \$50,000,000.

## THE FORM AND PHRASEOLOGY OF THE BILL.

The phraseology of the bill H. R. 22195 conforms throughout to that of H. R. 11019, which is practically the same as that of the act of



1909. In framing the bill the purpose of the committee has been to make no change in the language used in enumerating and describing the articles included under its provisions, except such as is necessarily involved in the omission of the provisions for the classification of raw wools, admixture of blood, the varying rates on washed, scoured, sorted, or skirting wools, etc., and the omission of subclassifications according to value, weight, or dimension of most of the groups of manufactured articles. The exclusive use of ad valorem duties obviates the intricate and complex qualifications, differentiations, and discriminations of Schedule K of the act of 1909. Ad valorem duties automatically adjust themselves to all these distinctions.

The enacting clause of the bill conforms exactly to that of the tariff act of August 5, 1909, of which the bill is practically an amendment, in order to avoid any possible ambiguity or conflict with regard to the insular possessions of the United States. The warehouse provision (sec. 2) also conforms exactly to the corresponding provisions in the act of 1909 (sec. 29), except that the provision for levying duties based on weight at the time of the entry of the merchandise is omitted, since the bill H. R. 22195 provides for no duties based on weight. Under this warehouse provision, as in the present act, articles in warehouse when the bill H. R. 22195 takes effect, on which duties have not been paid, shall be subjected to duty when withdrawn as if they had been imported after the taking effect of the act; but articles in warehouse on which duties have been paid and a permit of delivery issued, shall be subject to the duties imposed prior to the enactment of the new bill.

OSCAR W. UNDERWOOD, *Chairman*,  
CHOICE B. RANDELL,  
FRANCIS BURTON HARRISON,  
WILLIAM G. BRANTLEY,  
DORSEY W. SHACKLEFORD,  
CLAUDE KITCHIN,  
OLLIE M. JAMES.

HENRY T. RAINEY,  
LINCOLN DIXON,  
WILLIAM HUGHES,  
CORDELL HULL,  
W. S. HAMMOND,  
ANDREW J. PETERS,  
A. MITCHELL PALMER.

#### MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

The committee informally rose; and Mr. McGILLICUDDY having taken the chair as Speaker pro tempore, sundry messages in writing from the President of the United States were communicated to the House of Representatives by Mr. Latta, one of his secretaries, who also informed the House of Representatives that the President had approved and signed bills of the following titles:

On March 22, 1912:

H. R. 16680. An act to authorize the board of county commissioners of Baxter County and the board of county commissioners of Marion County, in the State of Arkansas, acting together for the two counties as bridge commissioners, to construct a bridge across the White River at or near the town of Cotter, Ark.; and

H. R. 17242. An act to authorize the Northern Pacific Railway Co. to cross the Government right of way along and adjacent to the canal connecting the waters of Puget Sound with Lake Washington at Seattle, in the State of Washington.

On March 23, 1912:

H. R. 11824. An act to amend section 113 of the act to codify, revise, and amend the laws relating to the judiciary, approved March 3, 1911;

H. R. 17119. An act granting the courthouse reserve at Pond Creek, Okla., to the city of Pond Creek for school and municipal purposes;

H. R. 17837. An act to amend an act approved July 1, 1902, entitled "An act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands, and for other purposes"; and

H. R. 18155. An act authorizing the town of Grand Rapids to construct a bridge across the Mississippi River in Itasca County, State of Minnesota.

On March 28, 1912:

H. R. 19342. An act to amend section 2455 of the Revised Statutes of the United States, relating to isolated tracts of public land.

On March 29, 1912:

H. R. 17671. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and to widows and dependent relatives of such soldiers and sailors.

#### THE WOOLEN SCHEDULE.

The committee resumed its session.

Mr. HILL. Mr. Chairman, I believe there was no arrangement made in regard to the division of time, and therefore it will be at the disposition of the Chair.

Mr. UNDERWOOD. I will say to the Chair that I have limited my own time to an hour, and if the Chair will dispose of the time I think we ought to limit the debate to an hour for each gentleman who speaks.

Mr. MANN. I hope the gentleman will not do that.

Mr. HILL. I should like to have an hour and a half, if the gentleman will not object.

Mr. UNDERWOOD. I tried to reach a conclusion in reference to time, but could not reach any agreement.

Mr. PAYNE. Of course the time will be equally divided on the two sides. It will not prolong the debate any to allow the gentleman from Connecticut an hour and a half.

Mr. HILL. I would prefer to have an understanding in regard to the time. I throw myself on the courtesy of the gentleman from Alabama, being entitled, as I am, to one hour only.

Mr. McCALL. Mr. Chairman, I am perfectly willing to yield half an hour of my time to the gentleman.

Mr. DALZELL. So am I.

Mr. UNDERWOOD. I will say to the gentleman that I would have been glad to discuss the bill longer, but we could not come to an agreement, and I believe each Member should conform to the rules of the House. I tried to reach an agreement.

Mr. HILL. But I did not object.

Mr. PAYNE. I agreed to the gentleman's request and did not object. The objection came from no member of the Ways and Means Committee.

Mr. MANN. Mr. Chairman, I ask unanimous consent that the gentleman from Connecticut may proceed for an hour and a half and that that be taken into consideration by the Chair in dividing the time.

Mr. UNDERWOOD. That is manifestly unfair.

The CHAIRMAN. The gentleman from Illinois requests that the gentleman from Connecticut may proceed for an hour and a half.

Mr. UNDERWOOD. Mr. Chairman, I am compelled to object.

Mr. MANN. That is unheard of.

Mr. DALZELL. Mr. Chairman, I desire to be recognized as a member of the committee.

The CHAIRMAN. The gentleman from Connecticut has been recognized.

Mr. HILL. I prefer that the gentleman from Pennsylvania be recognized temporarily.

Mr. MANN. That can not be done.

Mr. UNDERWOOD. Mr. Chairman, I am not objecting because I do not want the gentleman from Connecticut to talk, but I do insist on the rules of the House being conformed to.

Mr. HILL. Does the gentleman from Alabama object to the gentleman from Pennsylvania yielding me half an hour of his time?

Mr. UNDERWOOD. It is not a question of yielding time.

Mr. DALZELL. There is no desire to take more time on this side than there is time used on the other. The time shall be equally divided.

Mr. UNDERWOOD. I offered the gentleman a fair agreement as to the division of time and the gentleman did not take it, and this bill will be considered under the rules of the House.

Mr. MANN. Then, the bill will be considered under the rules of the House.

Mr. DALZELL. We are not responsible for the failure to agree; it did not come from us. The objection came from a party outside of the committee.

Mr. MANN. It makes no difference who is responsible for it, no gentleman ought to object to such a request; if they want to do it, let them do it.

Mr. HILL. Mr. Chairman, the gentleman from Alabama in opening his address stated that the Tariff Board was representative of the views of the President. I ask him if he assumes responsibility for the majority report.

Mr. MANN. Mr. Chairman, I ask for order. I want gentlemen to be seated, and I desire that the rules be enforced.

The CHAIRMAN. Gentlemen will cease conversation, and gentlemen in the aisles will be seated.

Mr. HILL. Mr. Chairman, I ask the gentleman from Alabama a somewhat unnecessary question—if he and his colleagues on the committee assume responsibility for the majority report published last night.

Mr. UNDERWOOD. I certainly do.

Mr. HILL. At the opening of his remarks the gentleman stated that the Tariff Board is representative of the views of the President of the United States. On page 9 of the report you will find this statement:

Probably the most striking feature of the report of the Tariff Board is that it contains little with reference to the tariff. It is primarily an analysis of the money expenses involved in the production and manufacture of wool.

He says, furthermore, that the report of the Tariff Board is wrong, and this whole report of the committee, from the first page to the last, is nothing but an attempt to prove that the report of the Tariff Board is worthless; but the greater part of the gentleman's time was taken up in trying to demonstrate that his own bill was in accord with the Tariff Board's report. [Applause on the Republican side.]

Again and again throughout this statement, which I hope the Members will carefully read, you will find that this Tariff Board report is worthless; but assuming that the facts are right, it proves the rightness of the Democratic position.

It seems to me, as the inevitable result of that kind of logic, that assuming false premises in the beginning and claiming to

be right on that presumption absolutely demonstrates they are wrong from the start. [Applause on the Republican side.]

Now, Mr. Chairman, I propose to try and show that the Republican bill introduced and presented by the gentleman from New York [Mr. PAYNE] is in accordance with the report of the Tariff Board; whether it suits you or me or you gentlemen on the other side, that has nothing to do with it; that it is made on the basis of the Tariff Board findings; and that the Republican Party stands on that before the country to-day; and if I do not prove it I will concede that it is a false assumption, as the gentleman says.

A REPUBLICAN SCHEDULE K BASED ON THE REPORT OF THE TARIFF BOARD.

Mr. Chairman, on page 41 of the report of the committee submitting a revision of Schedule K, which was presented by Mr. UNDERWOOD, of Alabama, on June 6, 1911, this statement will be found:

The price of the corresponding or competing American fabric is increased in price by the amount of the duty, as is known to be the case, and would be inevitable.

This is the theory upon which all of the Democratic tariff legislation of this session has been framed.

It is the theory upon which magazine writers have based sensational attacks upon Schedule K. It is the theory upon which free traders have denounced the protective system, the theory by which woolgrowers and manufacturers have far too often deluded themselves, and a theory upon which many honest and conscientious protectionists are still insistent for the continuance of some formerly protective rates of duty, which are not only indefensible now but which have long since ceased to be beneficial or effective.

It is a theory which ignores the steady growth of domestic competition, which assumes unaltered and unchanging trade conditions at home and in competing nations, and which is blind to the fact that while men may legislate and nations resolve, the higher and absolutely merciless law of supply and demand is still in operation.

#### TARIFF BOARD JUSTIFIED.

The report of the Tariff Board on Schedule K cost a large sum of money and a great amount of skilled investigation for more than two years. It would all have been fully justified if that report had given us nothing else but 20 lines found on page 14, volume 1, for the one plain fact therein stated demonstrates the necessity for three things—first, the continuation of such an investigating body; second, for the revision of this schedule; and third, for the maintenance of the protective policy by this country. I quote as follows:

On the other hand, prices in this country on the fabrics just referred to are not increased by the full amount of the duty. A collection of representative samples was made in England of goods ranging from those which can not be imported at all to those which are imported continually. These were then matched with a collection of samples of American-made cloths, which were fairly comparable, and the mill prices compared for the same date. It is found that on goods entirely excluded the nominal rates of duty would reach an ad valorem rate of 150 or even over 200 per cent, but that the American fabric is actually sold in the market at from only 60 to 80 per cent higher than similar goods sold abroad.

On 16 samples of foreign goods, for instance, none of which are imported, the figures are as follows:

Total of foreign prices	\$41.84
Duties which would have been assessed had they been imported	76.90
Foreign price, plus the duty, if imported	118.74
Actual domestic price of similar fabrics	69.75

Thus, though the nominal duties on such fabrics equal 184 per cent, the actual excess of the domestic price over the foreign price on similar fabrics of this kind is about 67 per cent. This is the result of domestic competition.

Mr. KITCHIN. Mr. Chairman, would it interrupt the gentleman to ask him a question right there?

Mr. HILL. Mr. Chairman, I shall be very glad to be interrupted if the gentleman will give me additional time later.

Mr. PAYNE. But they will not give the gentleman any time.

Mr. HILL. Then I shall have to object. I have not the slightest objection to interruptions—

Mr. PAYNE. I think the gentleman better proceed with his speech.

This is doubtless an extreme illustration. Translated, it means that the average duty on these 16 samples is 184 per cent and that the average duty necessary to equalize competition was only 67 per cent, leaving an average duty of 117 per cent as unnecessary and ineffective under the present law. But it also means beyond any dispute that the revenue rate of the Underwood bill would destroy the woolen industry here, or compel a complete reorganization of labor conditions both in woolgrowing and manufacturing and a readjustment of wages of labor to the rates obtaining in competing countries, for another striking feature of the board report is that in the textile industry we can no longer boast of the superior efficiency of American labor or machinery, but, rather, that we

are the laggards in the race with England and France in both respects.

But these 16 samples are only a part of a list of 61 described on page 704 of volume 3 of the report. There the English price, the United States price, and the English price plus the present duty are given.

The average English price is 78.4 cents per yard. The average United States price on the same fabrics is \$1.243 per yard.

The duty on the English fabrics required to give the American producer an equal chance in the home market is 63 per cent.

Again, the average English price is 78.4 cents per yard. The average price with present law duties added is \$1.577.

The ad valorem rate of those duties is 101 per cent, or 38 per cent more than is needed to equalize competition.

On pages 651 to 690, inclusive, are statements of the cost of manufacturing 55 different kinds of cloth, as submitted by domestic and foreign manufacturers from like schedules sent with samples to domestic and foreign mills and checked against each other. That statement is tabulated in the report of the Democratic majority of the committee, and if I have time I can show that there is more misrepresentation in that tabulation than I have ever seen on one sheet of paper in my life. [Applause on the Republican side.]

I long ago had a similar tabulation made and have studied it with great care and am thoroughly satisfied that the domestic industry to-day is on a purely competitive basis, and that the real prices paid by the consumers of domestic wool products are measured by the actual difference here and abroad in the cost of the raw material and the wages of labor, and that they are not now controlled by the existing tariff rates found in Schedule K. Why, then, change them, say some people.

#### REASONS FOR REVISION.

An all-sufficient reason is the maintenance of competitive conditions at home and the prevention of monopoly.

Furthermore, on page 190 of the report, a statement is given of the production and imports of specified wool products, from which it appears that of the entire consumption in 1909, 95.8 per cent of the whole was made here and only 4.2 per cent was imported.

The consumers of the 4 per cent are returning tourists, the buyers of Paris gowns, the well to do here, who have a right to gratify their fads and fancies for foreign styles and patterns, and undoubtedly to some extent the purchasers of some things the like of which are not made in this country.

Such consumers probably pay the full duties under Schedule K because domestic competition does not touch these cases, and though few in number, compared with the ninety millions who use only the domestic products, they are entitled to equitable and just treatment under the law. Furthermore an unjust, unnecessary, and ineffective duty is just as harmful to the principle of true protection as is the open and avowed opposition of the free trader, and almost as much so as the insidious and disguised attack of the advocate of a tariff for revenue only.

#### PURPOSE OF THE REPUBLICAN BILL.

The purpose of the Republican bill is first to provide rates of duty which shall give to the growing and manufacture of wool in this country a true protection, measured by the difference in the cost of such production here and abroad, and in fixing such rates reliance has been placed on the findings of the Tariff Board. No effort has been made to discredit that report, and I venture the assertion that no Member of the House who will study it carefully will attempt to impeach its accuracy or fairness. [Applause on the Republican side.] It is a unanimous report by three Republicans and two Democrats, and gives their findings of facts concerning a world-wide industry, and it bears no evidence anywhere of favoritism or political partisanship. [Applause on the Republican side.]

It would be strange indeed if in making deductions from these facts honest differences of opinion should not be found among those upon whom the responsibility devolves of making the customs laws. But as a whole I am satisfied that the bill which the Republican members of the Ways and Means Committee have presented is either strictly in accord with or fully justified by the report of the Tariff Board.

#### THE DUTY ON WOOL.

The basic fact of the industry is wool. For the past 14 years the duties have been unchanged.

For the 10 years of normal business conditions between the enactment of the Dingley law and the financial panic of 1907 the average import value of class 1 wool in the grease was 19 cents per pound and dutiable at 11 cents per pound, or an ad valorem rate of 57.89 per cent.

For the same period the average import value of class 2 wool in the grease was 20.74 cents per pound, and the duty was 12 cents per pound, or an ad valorem rate of 57.86 per cent.



Under the Republican bill the two classes are consolidated as class 1 and a duty of 18 cents is laid upon the clean content of the wool imported in the grease. This is equal to  $7\frac{1}{2}$  cents per pound of grease wool and the equivalent ad valorem rate on the foregoing basis is 36.21 per cent.

#### PRESENT LAW INEFFECTIVE.

Under the present law, based as it is upon an assumed shrinkage of 66 $\frac{2}{3}$  per cent, every importation of wool with a less shrinkage broke down the nominal duty of 11 cents proportionately. With an average shrinkage of Australian and South American wools as now imported of only 48 per cent and of class 2 wools of only 18 to 30 per cent, the effect upon the protection given to the American grower by a nominal duty of 11 cents is at once manifest. In addition to that, under the present law, wools of classes 2 and 3 are admitted washed at the same rate as unwashed. This also tends to reduce the nominal duty, which is doubled under like conditions in class 1.

But carpet wools, or wools of class 3, were worse than either, for these duties are 4 and 7 cents per pound, either in the grease or washed, and it was found beyond question that a considerable amount was being used in mixtures with class 1 and 2 wools, and not only affecting injuriously the supposed protection of the domestic grower, but that the fabrics into which this wool entered were actually being protected on the basis of the higher rates of duty.

It is not only beyond question that these leak holes have allowed much of the present law duties to run uselessly away, but that owing to the character of them, the effect has been extremely detrimental to the carded-woolen branch of the industry and correspondingly advantageous to the worsted manufacturer, and especially has this been true during the past few years since the improvements in worsted machinery have made it possible to utilize both clothing and combing wools.

#### LAW DUTY AND ACTUAL PROTECTION.

On page 382 of volume 2 of the report the statement is unequivocally made that the scoured pound duty on the importations under the present law does not actually exceed 18 cents, the rate fixed in the Republican bill. This is equal to  $7\frac{1}{2}$  cents per pound of wool in the grease. I firmly believe that with the leak holes stopped, as I think the Republican bill does stop them, the American woolgrower will get a far more reliable and effective protection than he has received at any time since the Dingley law was enacted, and I call to witness the men who ought to know, in order to prove my case.

On the 12th day of last July, Senator Dixon, of Montana, speaking for a State which has more sheep than any other, said, on page 2931 of the Record:

For the past six months the difference in London and the United States on wool has not exceeded 2 cents.

This was concurred in at the time by Senator Swoot and others.

On July 26, 1911, the Senator made a speech on "Tariff duties on wool—the truth about Schedule K." In it he said:

I shall show conclusively that the struggling sheep grower has been led to believe, and most of them have believed and the people at large have certainly believed, that he was protected by a duty of 11 cents per pound. He has in reality not had a tariff protection to exceed 5 cents, certainly not over 6 cents, per pound on the average.

People generally have believed that the woolgrower has been protected by a duty of 11 cents per pound. Some of the sheepmen have believed that this was true. Many of them have known that the nominal paper duty of 11 cents per pound was in fact a delusion and a snare; and that the actual tariff duties have not given the woolgrower to exceed 5 or 6 cents per pound. I doubt even that much.

Again, Judge Lawrence gave it as his deliberate opinion, in his annual address before the Ohio Woolgrowers' Association in 1898, after the notorious skirting clause had again been inserted in the Dingley law of 1897, that "the skirting clause was a fatal defect in both the McKinley and the Dingley tariff laws." He gave it as his judgment that under the loophole of the skirting clause and the inadequate duty placed on wools of class 3, the nominal paper duty of 11 cents per pound only "added an average of about 4 cents per pound to the price of unwashed wool to the average American merino wool over the normal world's price, and no more."

Senator WARREN, interrupting:

Mr. WARREN. The previous reference to Judge Lawrence reminds me that my association with him commenced in the sixties, and usually at least once a year I saw him from that time on. Now, the woolgrowers, aside from the skirting, even if that were eliminated, would not get the 11 cents, of course, because shippers abroad will always ship the lightest fleeces. If you take out the skirted wool, then you will get the light fleeces, which will go a shrinkage of perhaps 48, while ours will go 66 $\frac{2}{3}$ , which was originally accorded as the regular rate of shrinkage. Now, those of us who have long known the duty know that 11 cents and 12 cents has not been the real protection, but that it has been from 5 to  $7\frac{1}{2}$  cents per pound.

Senator WARREN again:

There has not been a time, in conversation or public speaking, when the matter has come up to me, when I have not made the statement that on first-class wool the real protection to the sheep grower has not exceeded  $7\frac{1}{2}$  cents a pound, and that it is sometimes less since the introduction of light-shrinkage crossbred wools.

Senator WARREN, of Wyoming, from the greatest woolgrowing State in the Union, and the man who was characterized by the late Senator Dolliver as the greatest shepherd since the days of Abraham, followed Senator Dixon, and I quote from him now:

The speech from the Senator from Montana [Mr. Dixon] has had in it very much with which I agree, although I am not ready to admit that the general ruling wool prices in London are so near the Boston prices as now, or that first-class wool has received never above 5 cents per pound protection.

This last spring curiosity to know exactly what our wools would bring in foreign markets caused a shipment of wool to be made from the United States to Bradford, England, which was disposed of with the following results:

#### Results of sale of United States wool in Bradford, England.

Lot No.	Grade.	Shrinkage.	Grease price, Bradford.	Scoured price, Bradford.	Which netted Philadelphia, in grease.	Current Philadelphia price was at the time—
		Per cent.	Cents per lb.	Cents per lb.	Cents per lb.	Cents per lb.
98	Half-blood Wyoming.....	65	15.71	44.88	14.69	18
1890	Wyoming original.....	71	12.67	43.70	11.71	14
32	Medium Montana.....	58	16.20	39.24	15.45	19 to 20
7870	No. 1 scoured.....			45.62	.44	48

In the above calculation freight and insurance, at the rate of seven-tenths cent per pound, are taken as the cost of delivering wool in Bradford; and in figuring the net price in Philadelphia—sold Bradford—the cost of delivering wool in Bradford and the selling commission are deducted.

In case of the scoured wool the freight may be higher than on the grease wool, and the net price in Philadelphia proportionately lower.

From this table it will be noted that—

Half-blood Wyoming was worth:	Cents per pound.
In Philadelphia.....	18.00
In Bradford.....	15.71
A difference of.....	2.29

Wyoming original (unsorted) was worth:	
In Philadelphia.....	14.00
In Bradford.....	12.67
A difference of.....	1.33

Medium Montana was worth:	
In Philadelphia.....	19.20
In Bradford.....	16.50
A difference of.....	2.70

I have one more witness.

Last winter I was called by telephone to my office by the statement that Dr. McClure, the secretary of the Wool Growers' Association, wished to see me. He was an entire stranger to me. I at once responded, and after mutual introductions I said, "I have just been discussing the question of the actual protection which the American woolgrower is now getting under an 11-cent duty and I gave it as my opinion that it was not over 5 $\frac{1}{2}$  cents." "Oh, no," said he, holding up two fingers as he said it; "it is not over 2 cents." Said I, "How much have you ever got since the Dingley law was passed?" His reply was, "I do not know as to that; but I have the official figures in my office to show that for the past 10 years it has not exceeded 6 cents." "Will you give me these figures?" said I. His reply was, "I will; but it will take a week or 10 days to get them here." I have not received them yet.

Now, Mr. Chairman, it is not a question of what rates of duty are written into a law, what I want to know is what rates of protection are written by the law into the producing industries of this country. Higher rates than that are a disappointing dream, lower ones mean destruction or industrial revolution. And it is just as true of agricultural products as it is of wool. The things which we do not or can not produce I would put on the free list. The things which compete with the things we do produce I would make dutiable by the full difference in the cost of production.

And in that I stand squarely with the Senator from Montana when he said in his closing remarks in the speech from which I have quoted:

Two years ago, as one of the provisions of the Payne-Aldrich Tariff Act, we provided for a Tariff Commission with powers to investigate and report to us the conditions surrounding production at home and abroad. We then gave our allegiance to the principle as enunciated in the last Republican platform—that tariffs should measure the difference in the cost of production at home as compared to the cost of production in foreign countries. On that platform and by that principle I stand. No matter what may be the pressure in some quarters for tariff revision, I believe that the people of this country have, irrespective of their party politics, prepared to accept in future only those tariffs that are made upon that fundamental principle.

Does 18 cents a pound on the clean content of a pound of wool imported in the grease measure the difference in the average cost of the wool produced in the United States and competing

countries? In my judgment it will, and at the same time will give to the American producer a much safer and more reliable protection than he has now.

#### AVERAGE COSTS OF WOOL.

The average costs of the respective countries are found on pages 10 and 11 of volume 1 of the report of the Tariff Board.

The average cost in the United States is given at about 9½ cents per pound.

The average cost in South America is between 4 and 5 cents. I have taken it as 4½ cents per pound.

With regard to Australia—and I want you to note this now, for I want you to see the absolute unfairness of the report of the majority, which the gentleman from Alabama [Mr. UNDERWOOD] says he assumes the responsibility for—with regard to Australia, the board finds as follows:

In New Zealand and on the favorably situated runs of Australia it seems clear that at the present range of values for stock, sheep, and mutton the receipts from other sources than wool are carrying the total flock expense. So that, taking Australasia as a whole, it appears that a charge of a very few cents per pound lies against the great clips of that region in the aggregate. While the board can not undertake to name an exact figure in that case, it is certain that the Australasian costs at large fall materially below the average South American.

What have they done? I have said to you that the board quoted the South American cost of wool at 4 or 5 cents, and I took an average of 4½ cents, and that the board says in any event the costs of Australian wool fall materially below the average of South America, which is 4½ cents; yet in that very report they have taken the Australian wool at 5 cents in figuring the difference.

Mr. LONGWORTH. And the gentleman from Alabama said so in his speech, and would not yield for a question at that time.

Mr. HILL. Yes. It shows the absolute unfairness of the majority report.

Mr. MANN. He was as accurate in that statement as in most others, was he not?

Mr. HILL. Well, I have taken the Australian cost at 2½ cents a pound.

Mr. CANNON. What proportion of the different kinds do we import?

Mr. HILL. I will show you in a moment. I have taken the language to mean that the Australian cost is one-half of the maximum of the South American, or 2½ cents per pound.

So far as shrinkages are concerned, it is apparent that the yields of clean content shown in past importations are no criterion for the future, for in the Republican bill the leak holes are stopped by the single duty on clean wool, and the wools of the world are opened to purchase on the basis of a uniform condition which, as nearly as can be determined, will show a general shrinkage from their natural condition of 60 per cent.

On this basis the cost of the clean content of wool in Australia is 6.25 cents per pound.

The cost in South America is 11.25 cents per pound.

The cost in the United States is 23.75 cents per pound.

The difference in cost between Australia and the United States is 17½ cents.

The difference in cost between South America and the United States is 12½ cents.

Now, as a matter of fact, there is not wool enough in the world to meet the world's demand, and neither of these countries does or can alone produce a sufficient surplus to meet our deficiency in the home product. There is not wool enough in the world to go around; not enough to furnish to each inhabitant more than 14 ounces a year. What would we do with only 14 ounces per capita of wool a year? And just think of the 400,000,000 population of China, which, now having thrown off the Manchu despotism, is adopting the European costume in clothing, so that there the demand for wool will be enormously increased.

	Pounds.
Last year, a year of small importations, we imported direct from Australia of clothing and combing wools.....	11, 223, 173
And from South America and South Africa, and not including reshipments from Great Britain which can not be traced.....	19, 556, 699

The weighted average cost of this wool competing with the domestic product was 3.77 cents per pound in the grease, or a difference in cost of 5.73 cents per pound, or a difference in clean content of 14.32 cents.

But drought or pestilence in either country might easily change the respective shipments, and it would seem to be only fair therefore to make the average on the basis of equal competition from both countries in the future.

On that basis the average cost of the competing grease pound, is 3½ cents and the difference in cost is 6 cents, which is equal to 15 cents per pound of clean content. The conclusion I reached therefore was, that 15 cents per pound on the clean content of imported wool was a fair duty to put upon it, but I recognize the fact that there is abundant room for an honest difference of opinion in favor of a somewhat higher rate.

First. Because of the uncertainty of the board's report as to the cost of Australian wool. If Australian like New Zealand wool has no charge against the clip, the rate should be 18½ cents per pound. I do not think the language will quite bear that construction. If, on the other hand, the difference in the interest cost in the respective countries is charged up against the clip, then 18 cents is a fair and just measure of the difference in cost between the domestic and foreign wool, and the duty should be 18 cents, as it is in the Republican bill, and I cheerfully united with my Republican colleagues on the committee in so fixing it, for I always want to resolve every doubt in favor of my own country as against the rest of the world. [Applause on the Republican side.]

My conclusion, therefore, is that the report of the Tariff Board will not justify a lower duty than 15 cents or a higher one than 18 cents.

#### METHODS OF APPLYING DUTIES.

Theoretically an ad valorem duty on wool is, in my opinion, the best method of applying the duty, but it presupposes matching the talent, ability, and experience of the importer with an equal talent, ability, and experience, supplemented by inflexible honesty and integrity in every member of the appraising force, and that means paying salaries in the appraisers' stores equal to those paid for profit in private business. There is no hope of that, however, and hence the possibility and probability of undervaluations would be so great that the experiment would be a dangerous one.

Specific duties have been the rule here for many years, and we can not profit by the experience of other nations, for no other nation but Russia has a duty on wool, except that in Canada a specific rate of 3 cents per pound is placed on certain combing wools such as are grown in Canada. All other wools are free.

A specific duty on the clean content of wool subjects every importation to uniform treatment, so far as actual quantity is concerned, does away with the absurdity of paying duties on grease and dirt, makes certain the collection of duties as intended by the law, wipes out the discriminations and crudities of the present method, and will tend very greatly to standardize the importation of wools.

It does not, however, take note of the varying quality of the fiber. The suggestion of this method was first made by the gentleman from New York [Mr. PAYNE] three years ago, and discussed by the committee with the Chief of the Bureau of Standards at that time.

The necessary sampling and testing can be done at a trivial expense, and the advantage to the trade of having all clothing and combing wools bought and sold on a Government certificate of their clean content would be very great.

And I call the attention of the gentleman from the greatest woolgrowing State in the Union to this suggestion which I now make.

It would also be a great benefit to the home producers if, by the payment of a nominal fee, they could have like tests made of domestic wools and a Government certificate of condition given instead of selling, as most of them are compelled to do now, upon the guess of the buyer or after scouring tests made by or under the control of interested parties in the wool markets of the country.

#### CARPET WOOLS.

I commend the consideration of this part of my remarks to my Democratic brethren.

Wools of class 3 under the present law are dutiable at 4 and 7 cents per pound, according to whether they are valued at more or less than 12 cents per pound in the grease.

It is the wool of native sheep, unimproved by merino blood. With the improvement of American flocks its growth here has practically stopped. It is now a noncompetitive product and under every principle of protection should be placed upon the free list.

The danger has been, however, that it would be used for other purposes than carpets, and this has been done to such an extent as to make it competitive in its uses and tending in an increasing degree to break down the higher duties on wools of the other class. Under the Republican bill carpet wools are practically made free of duty and their use confined to the purposes for which they are peculiarly adapted. This is done by making them dutiable at the same rate as other wools



and then rebating 99 per cent of the amount paid on proof of use in carpet manufacture.

In 1911, 92,000,000 pounds of carpet wool were imported, as against 67,000,000 pounds of the higher grades.

Note that about two-thirds of the importations of wool are put on the free list in the Republican bill, and our friends from North Carolina and the other States in the Union, who are just as honest free traders as I am a protectionist, voted to put a duty of 20 per cent on an article which the Republicans voted to make free. [Applause on the Republican side.]

For 10 years of normal conditions prior to 1907 the rate of duty on these wools was 42 per cent.

Under the present duty the average ad valorem on carpets, etc., is about 61 per cent.

The Republican bill makes the noncompetitive raw material free and reduces the rate on the finished product to 30 per cent.

The reduction covers not only the full amount of the duty on wool, but about 10 per cent on the conversion cost besides, and I have every reason to believe that the change is entirely satisfactory to the carpet trade generally.

The Democratic Party is vociferous in its demands that duties shall be reduced to a revenue basis, and yet they have for the second time brought in here a Democratic bill putting 20 per cent on carpet wool, and on carpets duties ranging from 25 to 50 per cent.

This Nation stands first in rank in the carpet industry among the nations of the world. Under the Republican policy of protection the carpet on the floor has long since ceased to be a luxury and has become an everyday necessity. I knew of a woman once from a foreign land whose highest idea of heaven was that it was a place where she could have a room all her own, with a carpet on the floor. This carpet duty will result in an economy which will find its way into nearly every home in this land, for there are few so humble that the floors are bare. You will find the carpet on the floor in the farmer's home, in the mechanic's cottage, and in the millionaire's mansion, and if you gentlemen on the other side of the aisle will come over and join us in passing this Republican bill, all of the women of the land will rise up and call you blessed. [Applause on the Republican side.]

#### DUTIES ON BY-PRODUCTS.

Under the present law the duties on paragraphs 10, 11, and 14 are 30 cents per pound, and on paragraphs 12, 13, and 15 they are 20 cents per pound. All of these are prohibitory, and as some of them are by-products of the worsted branch of the industry and raw materials for the carded woolen people the injustice of the prohibitive duties is plainly manifest.

Application was made to the Tariff Board for a review of their schedules of mill tests and conversion processes, and a determination of the percentage of relative value of each of these items to the value of a pound of scoured wool, and the duties named in the Republican bill are mathematically adjusted to a like percentage of the duty of 18 cents on the scoured pound.

#### SHODDY AND RAGS.

Paragraphs 16 and 17 were not so treated, but represent a policy which is to exclude the lower grades of shoddy and the worn and rotten rags from which it is made and to fix the duty on new rags, tailor's clippings, and so forth, which would be about equivalent to the rate on wool in the grease. On the former 2 cents per pound would be equal to 100 per cent ad valorem and on the latter to about 33½ per cent. That we do not need importations of the former is evidenced by the fact that the board report, on page 83, shows that in 10 months of 1911 we shipped to Great Britain alone 37,000,000 pounds of cheap rags. They also state that—

The rag business is really the only business protected by Schedule K that is on the export basis.

In view of the claim, which is often made, that English cloth is superior to that of our own manufacture, it is a significant fact that in 1910, when we exported 37,000,000 pounds of rags to Great Britain, the woolen manufacturers of that country not only used all of their own rags, but imported and used 126,000,000 pounds besides.

Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has 13 minutes remaining.

Mr. HILL. I should like to conclude my remarks.

Mr. UNDERWOOD. I will say that I do not like to interfere with my personal friend.

Mr. HILL. I will not abuse the courtesy of the gentleman.

Mr. UNDERWOOD. I tried to reach a division of time, but could not. This is an unfortunate way to handle a bill. I am willing, however, if it is agreeable to the gentleman from Connecticut, that the gentleman who follows him may be recognized for an hour and then yield to the gentleman a half an hour.

Mr. HILL. I do not think I want more than 15 or 20 minutes.

Mr. UNDERWOOD. I do not want to cut the gentleman off, but when we have no division of time and no control of the time between us it is better to conform to the rules.

Mr. PAYNE. I wish the gentleman from Alabama would agree with me that up to to-morrow night we may divide the time equally between us.

Mr. UNDERWOOD. I tried to get a division of time, but objection was made.

Mr. NORRIS. Mr. Chairman, the gentleman has repeated that several times. The objection was made, and I assume the responsibility for it, but it was not made as to the division of time. It was made because gentlemen wanted to do away with the five-minute rule. I had no objection to the division of time.

Mr. UNDERWOOD. We must occupy the time in this way, although I preferred the other method if the gentleman from Nebraska had not objected; but, as I said, if one of the gentleman's colleagues is recognized for an hour and yields to the gentleman from Connecticut, I will not object.

Mr. HILL. Very well. Then, I will not break the continuity of my remarks and will trust to the generosity of the gentleman from Pennsylvania [Mr. DALZELL] to yield me time if I am not through in my own time.

#### MANUFACTURES OF WOOL.

I come now to the duties on the manufactured products of wool. The first item is found in paragraph 18 of the Republican bill, which reads as follows:

Paragraph 18. Combed wool or tops, made wholly or in part of wool or camel's hair, 20 cents per pound on the wool contained therein and, in addition thereto, 5 per cent ad valorem.

It will be noticed that there are two duties here—one specific and the other ad valorem. If there were no duty on the wool from which this product is made, there would be but the one ad valorem duty of 5 per cent. It follows, therefore, that the specific is or should be based on the duty on wool. The specific is a weight duty apportioned in no way to the value of the manufactured product. It simply means that the Government will collect precisely the same amount from the wool in the imported article or fabric which it would have collected upon the wool required to make it if that wool had been imported in its natural condition. Just that and nothing more. It is called a compensatory duty. It is a misnomer as applied in this bill. Here it is a "wool-duty equivalent." If there is no wool duty, there is no need for a wool-duty equivalent, as will be seen by referring to paragraph 25, relating to carpets, where none is found. Under the present law the so-called compensatory or specific duty per pound is applicable to the entire weight of the product if wool is the article of chief value and the balance is cotton, rubber, metal, or any other material, for every product containing wool as the component article of chief value is dutiable under Schedule K; and even if it is not of chief value under the present law, the specific would still apply to the entire weight of wearing apparel and articles named under the silk schedule.

For example, take rubber boots with wool lining. The duty is now 44 cents per pound and 60 per cent ad valorem, or a total ad valorem of about 280 per cent.

In the Underwood bill the duty would be 45 per cent ad valorem. In the Republican bill, under clause 1 of paragraph 23, the rate would be about 47½ per cent. Either rate is fully protective. The raw rubber and raw cotton are free. Why should the specific wool duty apply to anything but the wool?

In that case the bill of the gentleman from Alabama is 2½ per cent lower than this. Let me give him one in which the Republican bill is lower than his by operation of the same clause.

Mr. UNDERWOOD. The gentleman overlooks the fact that the Democratic bill is not an amendment to the Payne bill.

Mr. HILL. I understand that it is a substitute for it. That is an amendment.

Mr. UNDERWOOD. It is an independent bill.

Mr. HILL. It is a substitute for a portion of it. It provides that in the bill. Let me give him another case where, under the operation of this clause, the duty is lower in the Republican bill than in his. I am told that there is now in the New York customhouse—or I was told so two weeks ago—an unclaimed importation of felts made from cattle and goat's hair.

Whether the felt contains any wool or not is disputed, but it makes no difference, for under the similarity clause of the present law the article is dutiable as wool at 44 cents per pound and 60 per cent ad valorem. It is worth 14 cents per pound and the ad valorem is about 370 per cent. The owner declines to pay the duty and take the goods. Under the Underwood bill, paragraph 5, the duty would be 40 per cent ad va-

lorem. In the Republican bill, under paragraph 21, clause 1, the duty would be 30 per cent ad valorem, and if it contained 2½ per cent of wool, as some claim, the duty would be 34 per cent. In other words, the clause "on the wool contained therein" does equal and exact justice in every case. The specific duty in this case is entirely eliminated by this clause. You can see the sweeping character of it. Yet our Democratic friends have not discovered it either in their report or in the references made to the Republican bill by the gentleman from Alabama. I have personally submitted this clause to the Treasury authorities here and to the appraiser's office in New York, where I spent an afternoon in investigating the methods of appraising wool and woolsens, and am advised both there and here that this method of applying the duty presents no administrative difficulties which can not be easily handled.

The real problem is a different one from that, and is found in the correct ascertainment of the wastes in the different processes of manufacture.

The whole subject is fully discussed by the Tariff Board on pages 621 to 626, inclusive, and their conclusions in concrete form will be found there in a carefully worked out table of wool-duty equivalents, or so-called compensatories based on a duty on scoured wool ranging from 15 to 25 cents per scoured pound.

Every compensatory in the Republican bill is in accord with that table, except that cents or half cents are used in place of intermediate decimal fractions.

The precise effect of this clause upon paragraph 18, now under consideration, is as follows:

Under the present law tops are dutiable, if valued at not more than 20 cents per pound, at 24½ cents per pound and 30 per cent ad valorem, a total of 153¼ per cent.

Under the Republican bill, if made of all wool they would be dutiable at 20 cents per pound on the "wool contained therein" and 5 per cent ad valorem, a total of 105 per cent, 100 per cent representing the duty paid on the wool required to make them, and 5 per cent representing the average difference in the foreign and domestic cost of conversion of scoured wool into tops. If these 20-cent tops were part cotton, the Republican bill would reduce the specific duty proportionately.

Under the present law tops valued above 20 cents are dutiable at 36½ cents per pound and 30 per cent ad valorem, a total of 103¼ per cent if figured on tops worth 50 cents per pound.

Under the Republican bill the duty would be 45 per cent if all wool, and if part cotton proportionately lower.

The Underwood duty is a straight ad valorem of 25 per cent. The effect on the industry of top making under the three rates of duty is as follows:

First. The present law is prohibitive of importations. See page 107, volume 1, of the report.

Second. Under the Republican bill the duty would represent the difference in cost of production and thus put the industry on the basis of fair competition.

Third. The Underwood rate being less than his own duty on the raw material and the difference in cost of conversion, would compel the importation of the finished product. It would undoubtedly bring revenue, but would destroy the industry.

I know of one case, Mr. Chairman, where, since the Underwood bill was introduced, a top manufacturer in Bradford, England, said that if the Underwood bill went into effect they would close down every comb in the United States. There is no mistake about that. That is bound to be the result. The duty on the finished product is less than the duty on the wool and conversion cost.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield right there for a question while he is considering paragraph 19?

Mr. HILL. Certainly.

Mr. MURDOCK. What, in the manufacture of wool, is the intermediary between tops and yarns?

Mr. HILL. The rovings, the sheets of wool that come out from the carding machine, and so forth.

Mr. MURDOCK. Are they not all convertible again into what is virtually equivalent to tops?

Mr. HILL. Oh, no; not necessarily. The gentleman understands that the clause covers the processes in both the carded wool and the worsted industry? It was originally the "basket" clause.

Mr. MURDOCK. The gentleman will remember that in one of the previous tariff bills this paragraph 19 was so manipulated in the law—

Mr. HILL. I do.

Mr. MURDOCK (continuing). That it worked against the manufacturer of yarn.

Mr. HILL. I do.

Paragraph 19 was originally a basket clause and prior to the Payne bill was the nesting place for tops.

Under the present law the rate of duty runs up as high as 44 cents per pound and 55 per cent ad valorem. It is discussed on page 109 of the report.

In this Republican bill, and I call the attention of the gentleman from Kansas to the fact, that paragraph does not have the sweeping effect of a basket clause, but it is limited by this language, "but less advanced than yarn."

Mr. MURDOCK. The reason it is not a basket clause is because tops are excluded from it.

Mr. HILL. Absolutely; and I so state. In this Republican bill it is restricted to all processes of manufacture between scoured wool and yarn, except tops, which are otherwise provided for, and the rates of duty are, therefore, not comparable.

It hardly seems necessary to go into the ad valorem effect of the specific duty in the further processes of manufacture. In all of them except carpets it is applied in the same way, on "the wool contained therein," and on the basis laid down by the Tariff Board. It is but fair to say, however, that except on fabrics and clothing having a foreign value of more than 60 cents a pound for all-wool goods, the ad valorem equivalent of the wool duty is greater than the duty which represents the conversion cost.

In fine cloths and high-class general manufactures the constantly increasing amount of labor required to be put upon the raw material compels a gradual increase of conversion duty over the duty on the wool consumed in such articles.

Because the difference in the cost of foreign and domestic labor is 100 per cent or more and the difference in the cost of foreign and domestic wool is 36 per cent, by reason of the tariff, and as you lessen the value of wool to the total value of the product and increase the quantity and cost of labor you apply to it, you must increase your conversion duty proportionately.

#### YARNS.

The board report on yarns is very full and complete, beginning on page 111. The conversion cost is considered, beginning at page 645. On page 115 they say that the yarns imported amount to less than one-tenth of 1 per cent of the yarns consumed in the country. That means that the duties are prohibitive. Applying the present law rates to the four clauses of paragraph 20, the average ad valorem duty is 102¼ per cent, and under this Republican bill the rate would be, on all-wool yarns, 58.26 per cent. The conversion duty ranges from 10 to 25 per cent, averaging 17½ per cent.

I come now to cloths, which seem to excite the special antagonism of the gentleman from Alabama—

Mr. MURDOCK. Mr. Chairman, will the gentleman yield before he goes to the question of cloths?

Mr. HILL. Certainly.

Mr. MURDOCK. Just for a question on the preceding paragraph. The gentleman will remember in the old tariff, Schedule K, the compensatory rate was based on the assumption that it took 4 pounds of wool in the grease to make a single pound of finished cloth.

Mr. HILL. Yes.

Mr. MURDOCK. Now, in the Republican bill submitted by the gentleman from New York [Mr. PAYNE] is that old basis, that old method of reasoning, entirely done away with?

Mr. HILL. I said a while ago—I guess the gentleman's attention was attracted at the moment—it does not measure up to it at all. It has no relation to it; it is entirely abandoned—

Mr. MURDOCK. Let me understand the gentleman. Is that method of forming the duty entirely eliminated from this Republican bill?

Mr. HILL. There is no guesswork about it; it is an absolute mathematical figuring on mill tests—

Mr. MURDOCK. The gentleman does not answer my question. Can not the gentleman answer yes or no to the question?

Mr. HILL. I have often heard the question asked if a man could not answer yes or no. I have explained that these compensatory duties are taken absolutely from the figures given in the report. There are three or four pages in the report devoted exclusively to showing how they are figured out. Now, if the gentleman will read that—

Mr. MURDOCK. The gentleman does not understand my question, I am sure. I want to know if the old method of basing the duty on cloth on the assumption that it takes 4 pounds of wool in the grease to make a single pound of cloth is entirely eliminated from this bill?

Mr. HILL. Why, absolutely.

Mr. MURDOCK. That is all.

The CHAIRMAN. The time of the gentleman from Connecticut has expired under the rule.



Mr. DALZELL. Mr. Chairman—

The CHAIRMAN. The Chair will have to inquire whether the gentleman from Pennsylvania is opposed—

Mr. DALZELL. No; the gentleman is not opposed, but—

Mr. KITCHIN. I want to say, Mr. Chairman, that I believe there is a recent understanding between Mr. UNDERWOOD, chairman, and Mr. DALZELL, the gentleman from Pennsylvania, by which the gentleman from Pennsylvania should be recognized now to yield some of his time.

The CHAIRMAN. Does the gentleman from North Carolina ask unanimous consent? There was no such consent given, and the Chair desires to keep the record straight.

Mr. DALZELL. There is no trouble about keeping the record straight.

Mr. KITCHIN. I think the Chair is mistaken and that a recent agreement was made, perhaps 30 minutes ago.

The CHAIRMAN. The Chair is not mistaken. If the gentleman asks unanimous consent for that purpose, it should appear of record; and if it is desired, the Chair can put the request now.

Mr. MANN. What unanimous consent is required?

The CHAIRMAN. Under the rule, after the gentleman from Connecticut has used an hour some one opposed to his side is now entitled to recognition.

Mr. MANN. No one else has asked for recognition at this time.

The CHAIRMAN. Yes; there is some one who desires to be recognized in order that the time may be divided.

Mr. MANN. I understood a while ago the gentleman who was to speak next would not now ask for recognition until this side had taken an additional hour.

Mr. TOWNSEND. I had deferred asking recognition at this time, because I understood there was an agreement made recently between Mr. UNDERWOOD and gentlemen on the other side that I should defer and the Chair would recognize some one on that side and the gentleman would yield some portion of his time to the gentleman from Connecticut, and at the conclusion of the gentleman's remarks the Chair would recognize some one on this side to equalize that arrangement.

The CHAIRMAN. The Chair desired that the arrangement should appear of record. The gentleman from Pennsylvania.

Mr. DALZELL. Mr. Chairman, I desire to be recognized.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania.

Mr. DALZELL. Mr. Chairman, I yield to the gentleman from Connecticut of my time 30 minutes, and I reserve the balance of it.

Mr. KITCHIN. The gentleman was just leaving the cloth part now.

Mr. HILL. No; I was talking about the conversion duty, and I propose now to go no further into the specific compensatory duties, but to take up the conversion duty and show how that is made.

#### CLOTHS.

Mr. KITCHIN. If it will not interrupt you, I would like to ask you how much reduction on cloth and dress goods your bill makes?

Mr. HILL. Paragraph 21 of the Republican bill deals with all fabrics except blankets and flannels for underwear. As a general proposition it may be held that when an article has been taken from a general clause and transferred to another, where it plainly does not fit, or is given a classification by itself, it was done to raise the particular duty without changing the general rate. No man can give a reason why felted fabrics should be classified as wearing apparel, except to raise the duty on them. (See p. 164 of the report.)

They go properly with other fabrics and even fall into the lower valuations there. As constituted in the Republican bill, paragraph 21 is a cloth-fabric paragraph exclusively, dress goods, flannels, and felts having been consolidated with it, and general manufactures taken out of it and consolidated with small wares, and so forth, as the basket clause in paragraph 24, thus bringing Schedule K in general harmony with other schedules in this respect. As the paragraph now stands in the Republican bill it plays no favorites, but all cloth is treated alike, falling by reason of value into the clause where it belongs and taking its wool duty specific, according to its wool contents. As the board shows on page 95 of the report that 59,000,000 pounds of cotton were used in the making of fabrics in 1909, or nearly 14 per cent of the whole, the importance of the qualifying clause "on the wool contained therein" will be at once seen. It is well to note also that in 1909, in all forms of wool manufactures, 384,549,349 pounds of cotton were used, and, although bought as a free raw material, received substantially the same privileges and benefits and protection that it would have received if it had been wool.

It will not be so under the Republican bill. Each fiber will be treated on its own merits.

Now, I believe that the overwhelming majority of our people are sincere believers in the policy of protection, and that in any case where a high rate is shown to be necessary to meet the difference in the cost of foreign and domestic production in any schedule from A to N, they are willing to give it, and I believe that the political party which advocates that policy is bound to win not only in the next election, but for the next quarter of a century at least. But you have got to prove in these modern days that it is necessary. Do not make any mistake about it. I also believe that the rates must be written fairly and squarely in the text so that "he who runs may read," and that the "jokers" must be absolutely eliminated from our tariff laws. [Applause on the Republican side.] No one party is responsible for them. The tariff of 1894 was officially branded by the President of the United States with perfidy and dishonor [applause on the Republican side], and others bear evidences of mutilation in their tedious journeys to the statute books.

So far as I know there are no jokers in this Republican bill.

The ad valorem rates in this and the clothing paragraphs are based on the schedules of comparative costs and prices found on pages 651 to 705, inclusive.

The avowed and only purpose of the Democratic majority of the committee is to tax importations to raise revenue and to encourage importations in order to increase receipts. A single ad valorem rate, if put low enough—and it is low enough in the Underwood bill—will do this, and the importations will steadily increase as the industry gradually disappears here through inability to meet foreign competition, as is plainly shown by the board's report, and no man can show in the four volumes of that report a single fact indicating the possibility of anything like equal competition in woollens between the United States and England, France, and Germany. With the many thousands of styles and weights and varieties of woolen fabrics throughout the world, a single ad valorem rate must necessarily be unfair to the majority. The Democratic members of the committee recognized this in a slight degree in the case of flannels by making a duty of 30 per cent, if valued at less than 50 cents per pound, and of 45 per cent if of higher value.

They recognized the protective principle still more in the construction of their cotton bill by making a system of graded ad valorem on fabrics and justified it in their report by the claim that increasing rates were needed because of increasing fineness of yarns, additional cost of bleaching, dyeing, printing, and general cost of advanced manufacturing processes.

If this is true of cottons, why is it not more emphatically true of woolen fabrics? The Republican bill recognizes that principle, and we have graded the duties in paragraphs 21 and 23 so that they represent the difference in the cost of conversion from wool to cloth and clothing between this country and England, which is our strongest competitor.

In cloth the rates begin at 30 per cent ad valorem and advance by five steps to 55 per cent ad valorem. In the clothing paragraph an additional allowance of 5 per cent on each grade is made for the wastage and increased labor cost incurred in conversion from cloth to wearing apparel. If there is any error there it is not on the side of too great liberality.

As will be seen by a reference to the report—and I commend the report to the gentleman from North Carolina, and he ought to study it, and all gentlemen on that side of the House ought to study it—the cost sheets upon which these rates are based were first made up from the books of American mills and from the actual records taken during the personal visits of the experts of the board. The blank forms or schedules used will be found beginning on page 631.

The idea was given to you this morning that that was not so; that the figures were made up from estimates, and not from the books. I hold in my hand a copy of a schedule made from a mill in Connecticut, containing figures made up from books that had been closed six months, absolutely honest records. And so it was with the American mills generally. The figures were taken from the books, and not from statements made up by any interested manager. I heard the statement which was made here, and I knew that it was not correct.

Mr. PICKETT. Is it not a fact that in making these examinations the Government had two experts, one a practical manufacturer, acquainted with the processes of manufacture, and the other a practical accountant?

Mr. HILL. I so understand; and the gentleman from Iowa and I know of a case where one of the expert investigators went to the city of Dubuque and examined a mill there from the mill's own books; and before examining the books the expert made up his estimate as to the cost of a certain sample, and

when they got through with the investigation his estimate, made in advance, tallied within half a cent a yard with the actual books of the concern.

Mr. KITCHIN. Who was this expert manufacturer?

Mr. HILL. I do not know who he was, in Dubuque. The man who made that estimate and examination was Mr. Culbertson, an investigator of the Tariff Board.

Mr. PICKETT. The man was an expert, so far as his knowledge of the practical manufacture of cloth was concerned.

Mr. KITCHIN. Was he a manufacturer?

Mr. PICKETT. As I understand it, they sent two experts—and I get this from the Tariff Board—one an expert in the practical process of manufacturing cloth and the other an accountant.

Mr. HILL. The gentleman from North Carolina endeavors to impeach the ability of the Tariff Board, and so does the gentleman from Alabama [Mr. UNDERWOOD], on the ground they were not expert manufacturers, or that they were not expert business men. What are you 14 lawyers on the Ways and Means Committee? [Applause on the Republican side.] You 14 lawyers complain and compare the work of the Tariff Board with the expert knowledge of 14 men, you yourselves, without business experience, and yet you attempt to make up all the schedules for the whole United States. [Applause on the Republican side.]

Mr. PAYNE. How did they get what knowledge they have about it?

Mr. HILL. I put it to the gentleman from North Carolina himself; will he attempt to put his own manufacturing experience alongside the knowledge and experience of the experts of the Tariff Board? [Applause on the Republican side.]

Mr. KITCHIN. The gentleman said this was a manufacturer, a man of experience. I should like to know who he was.

Mr. HILL. I have given the gentleman's name.

Mr. KITCHIN. A woolen manufacturer?

Mr. HILL. I do not know who he was, if you refer to the mill proprietor in Dubuque.

Mr. KITCHIN. You said you were going to give his name.

Mr. HILL. Oh, no; I gave you the name of the expert examiner.

Mr. KITCHIN. Who was this manufacturer?

Mr. HILL. I do not know. The gentleman knows that it is absolutely necessary that this information should be confidential, and that nobody could verify these schedules except through the Tariff Board, and that they could not get the information unless they treated it as confidential. Yet you Democrats on the floor of this House condemn these people because they will not violate their confidential agreement and make these names identifying the schedules public to the world. [Applause on the Republican side.]

Mr. KITCHIN. The gentleman will not answer my question. Do I understand that the man who made up these figures for the Tariff Board is a woolen manufacturer, as my friend said?

Mr. PICKETT. The gentleman is entirely in error.

Mr. HILL. I will answer the gentleman's question. These figures in the Tariff Board report are, so far as American mills are concerned, taken very largely from the books of manufacturing concerns, and they show the actual cost figures.

Mr. KITCHIN. I understand, then, that the man who made up these figures is an American manufacturer who is in favor of protection?

Mr. HILL. The information was also obtained in the way I have described, although not to so great an extent, in Great Britain.

Mr. KITCHIN. I only want to know whether these figures were made by an American manufacturer who is interested in protection.

Mr. HILL. They were not made by an American manufacturer. The investigation was made by experts.

These schedules ignore day wages or piecework prices, except as a matter of general information, but show in each case the unit cost of a thousand pounds of tops, a thousand pounds of yarn, and a thousand yards of cloth. The policy pursued in making the primary schedules was to take the costs from the mill books by the records which had been made and from the accounts closed up for the preceding year, so that nobody could be fooled by them, unless the proprietors had deliberately fooled themselves and made it a matter of record. Samples of the cloths upon which costs were thus secured were then sent to several other mills and like blanks filled out with estimates of cost. Thus each statement was checked and counterchecked from four to six times.

The American samples were then taken to Europe, and like statements of costs made there, either by the mill proprietors

there or from their books or by experts employed for the purpose. In the same way samples of foreign cloths were brought here, analyzed by our manufacturers, and comparisons made with fabrics of similar character. I can not conceive of any more thorough and exact ascertainment of the difference in cost of production.

Reports are made on 53 different kinds of American cloth, 14 high-grade German cloths, and comparative mill prices given on 61 samples of English and American cloths. These statements of costs have been tabulated, showing—

First. Price on which duty is assessed.

Second. United States conversion cost.

Third. English conversion cost.

Fourth. Difference in conversion cost.

Fifth. Needed ad valorem to cover conversion cost.

Sixth. Specific or compensatory duty on basis of 18 cents wool duty.

Seventh. Total duty.

Eighth. The English cost.

Ninth. The English cost plus the total duty.

Tenth. The American cost.

Eleventh. The percentage of the total duties to the wholesale English selling price.

Mr. LONGWORTH. If it will not interrupt the gentleman, I think it will be well if he will state, as a number of gentlemen are not familiar with the matter, how it would be possible to ascertain the wool contents of cloth.

Mr. HILL. It is done simply by the sulphuric-acid test. That eats out the vegetable fiber and leaves the wool fiber. There is no difficulty about it.

Mr. LONGWORTH. And the department officials have facilities for doing it?

Mr. HILL. Absolutely; there is no trouble about it; they are doing it every day. Even now, when there is a doubt in regard to the valuation or of the undervaluation of a piece of fabric, it is sent right across the room from the examiner's office and an analytical chemist separates the fiber, and in that way determines the value. This plan would be to determine the weight only.

Mr. LONGWORTH. I only asked the question because there has been some objection made to the bill because of the impossible duty that is placed upon the officials of the Treasury.

Mr. HILL. There is not a particle of difficulty about it. If any gentleman has any doubt, he can call on Mr. Curtis, at the Treasury Department, or Mr. Halstead, of the Customs Division, and they will tell him that there is no trouble about it.

Mr. LONGWORTH. How about the wool in the cloth and clothing?

Mr. HILL. There is no trouble about that; not the slightest; and I am so informed by the appraiser's office.

The tabulations have been carefully studied, and repeated adjustment of tentative cloth schedules made to the facts there shown, and countertests made, by application of the statistical conditions of the various samples to the tentative schedules, until it is believed that, notwithstanding the enormous variety of fabrics made the world over, the cloth schedule presented by the minority of the committee is not only thoroughly protective in its character, but it is as near to the facts shown by the Tariff Board report as can be made, unless a separate rate of duty is made for each sample.

Mr. KITCHIN. May I interrupt the gentleman?

Mr. HILL. For a question.

Mr. KITCHIN. How much does your bill reduce the tariff on woolen clothing and woolen goods?

Mr. HILL. I have already told you—30 per cent on the whole cloth schedule.

Mr. KITCHIN. How much will it increase the importation?

Mr. HILL. I do not think it will increase the importation at all. You would utterly falsify the work of the Tariff Board if it did any more than find the facts, and as Republicans we are pledged to make a bill fit the facts, showing the difference in the cost of production, and how would that increase importation?

Mr. KITCHIN. I do not think it will increase importation.

Mr. HILL. It will increase the importation of free carpet wool, which the gentleman would have voted for if it was not for his caucus instructions.

Mr. KITCHIN. How much in woolen cloth and ready-made clothing and other woolen fabrics will your bill save to the consumers of the country?

Mr. HILL. I will show you that if I have time.

The average ad valorem rate of this paragraph with the present law applied to it would be 105 per cent. Without the effect of the cotton clause shown, which can only be done upon



an actual ascertainment in each case of other than wool contents, the proposed reduction on this whole paragraph in the Republican bill will average about 30 per cent. The cotton clause would probably increase this reduction to more than 40 per cent.

The average reduction of the first two or cheaper grades of cloth from the present law rates is 45 per cent if all wool. If half cotton, which may be fairly assumed from the values, the reduction would be 71 per cent. Of course, it is understood that the present law rates are prohibitive on such goods.

The average ad valorem of the samples scheduled by the Tariff Board is 64 per cent.

The average ad valorem difference between the net English and American mill prices given on page 705 of the report is 63 per cent.

The average wool duty in the Republican bill, except carpet wool, which is free, is 36.21 per cent.

The average of all conversion duties is 35.20 per cent.

The average conversion duty on cloth only is 42½ per cent.

The Republican members of the committee have had no force of clerks and paid employees to prepare tables showing the effect of the duties on the importations of past years, but the general conclusion which I draw from the proposed rates is that they will show a reduction on the whole schedule of nearly 40 per cent, which, by the operation of the cotton clause, will be increased to about 50 per cent on actual importations, and yet the rates are so applied as, in my judgment, to make a protective bill and at the same time comply with the findings of the report of the Tariff Board.

The English figures, which are about 5 per cent lower than the German, have been made the basis for comparison. It is not necessary to go through the remaining paragraphs, for they are all constructed on the same general principle, except in the proviso of the basket clause of paragraph 24. There the specific duty is laid upon the wool contained in the article, and the ad valorem duty is based upon the rate which the component article of chief value carries in its own schedule. Whenever these schedules are changed, the rates in this proviso should be made to conform.

The CHAIRMAN. The time of the gentleman from Connecticut has again expired.

Mr. DALZELL. Mr. Chairman, I yield 10 minutes more to the gentleman.

Mr. HILL. The wool duties would go into effect upon the passage of the bill and the manufacturing duties on January 1, 1913, thus following the precedent of the Wilson bill in this respect.

Now, gentlemen of the majority, I have a word for you, in all kindness and in sincerity, and I ask the especial attention of the gentleman from North Carolina [Mr. KITCHIN].

Mr. KITCHIN. Mr. Chairman, before the gentleman proceeds, allow me to ask him a question first. How much will the gentleman's bill reduce the manufacturer's price of cloth, ready-made clothing, and other woollen fabrics?

Mr. HILL. It will reduce it to a price of equal, fair, and just competition—

Mr. KITCHIN. Oh, yes.

Mr. HILL. Wait one moment—as shown by the actual statements submitted by the Tariff Board.

Mr. KITCHIN. How much do they say it would reduce it?

Mr. HILL. I will ask the gentleman to read the statement here.

Mr. KITCHIN. Oh, no. We want to know how much the gentleman's bill will reduce it to the consumer.

Mr. HILL. Now, gentleman of the majority, what is the situation which confronts us?

You have presented a bill which you claim will reduce the duties in Schedule K by 48 per cent.

We have presented one which in practical operation will probably reduce them 50 per cent.

You have fixed your rates by guesswork for revenue purposes, with the intention of eliminating all protection.

We have fixed ours on a thorough and exhaustive investigation by a nonpartisan Tariff Board, with the intention of maintaining the true principle of protection, measured by the difference in the cost of production here and abroad.

Upon your own estimates you annually displace 200,000,000 pounds of domestic wool by the importation of the foreign product, and transfer to Europe \$12,000,000 worth of labor by the increased importation of the manufactured product and still lose \$1,348,349 of annual revenue.

We will lose \$4,000,000 of revenue taken from a noncompetitive product, and every dollar of it will therefore, by the lower cost of a household necessity, go toward a reduced cost of living and at the same time will maintain the industry on a protected basis of equal, fair, and just competition.

You offer us a bill which the President has vetoed once, and which is in violation of the platform on which he was elected and on which we stand now.

We offer you one which fulfills your pledge to reduce duties, and which it is now in your power to enact into law.

For a year this industry has been tortured with doubt and harassed with uncertainty as to its future condition.

The whole country needs and demands industrial peace and with it there will surely follow industrial prosperity.

Let us in this matter forget partisanship and, as our mutual colleagues on the Tariff Board have done, work together for the common good. [Prolonged applause on the Republican side.]

Mr. DALZELL. Mr. Chairman, how much time has the gentleman used?

The CHAIRMAN. The gentleman from Pennsylvania has 25 minutes remaining.

Mr. DALZELL. Mr. Chairman, I reserve the balance of my time.

Mr. TOWNSEND. Mr. Chairman, my understanding of the informal agreement made between the gentleman from Alabama [Mr. UNDERWOOD] and gentlemen on the other side was that the gentleman from Connecticut was to have yielded to him by the gentleman from Pennsylvania so much time as the gentleman from Connecticut required to conclude his remarks, and that then the time was to come to this side.

Mr. MANN. That is right. The gentleman from Pennsylvania merely reserves the balance of his time.

Mr. DALZELL. The gentleman's side is not entitled to my time.

Mr. MANN. The gentleman from New Jersey misunderstood the gentleman from Pennsylvania.

The CHAIRMAN. The gentleman from New Jersey is recognized for one hour.

Mr. TOWNSEND. Mr. Chairman [applause]—

The CHAIRMAN. The gentleman from New Jersey.

Mr. TOWNSEND. Mr. Chairman, it is my purpose during the time I am permitted to address the House to submit some facts—results of my own investigation—going to prove that as the rate of tariff protection increases so does the death rate of those whose wages depend upon tariff-protected industries increase. I shall relate some facts which prove that as the tariff rate mounts high the living conditions of those wage earners who toll in the protected industries sink lower and lower. If I can present here official figures showing that throughout the United States, with all unfavorable conditions in various parts of the country bringing up the average, it is found that out of every 100 deaths 27 are of children under 5 years of age, but that in towns whose industries are most highly protected, out of every 100 deaths not 27, but 47, 48, and even 50 are children under 5 years of age; if it is found that the death rate from all causes is highest in towns where are located the most highly protected industries, even if in those towns natural conditions are most favorable to health, then it is proper for us to inquire if there is a condition of living among the toilers in these most highly protected industries which of itself, and in spite of naturally healthful surroundings, produces an appalling death rate as well as hopeless misery and suffering among the living.

If it can be demonstrated that as the subsidies paid to tariff beneficiaries increase the chances for life of the trust's wage toilers decrease, if it is found that as the privilege of the rich to tax the poor is extended and enlarged the opportunity for the workers merely to survive is restricted, if it is found that as dividends increase there is also an increase in the pitiful little mounds of babies' graves, if it is found that as the arrogance and pride begot from privilege grow, hope and joy in the hearts of the toilers decrease, then it is reasonable for us to inquire if these facts do not bear certain relations with each other. If there is a sinister relationship between the facts, then it is our duty to examine and to understand.

I recently visited and made some investigations in towns where wool and where cotton are made into fabrics. In the town of Lawrence, Mass., I learned that out of every 100 deaths 47 were of children under 5 years of age, and of these 35 were of children under 1 year of age. The average for the whole country is 27 children under 5 years of age instead of 47 as in Lawrence, and for the whole country 19 out of every 100 deaths are of children under 1 year of age, instead of 35, as in Lawrence. In order that this appallingly large percentage of child deaths in Lawrence, which, striking and significant as it is, is not as large as the rates for corresponding ages in Fall River and in New Bedford—in order, I say, that these rates may be better appreciated, let me give the figures for some cities also noted as manufacturing communities.

In the city of Newark, N. J., partly in my congressional district, where the values of finished manufactured products in

1910 exceeded \$200,000,000, where there were more than 1,800 manufacturing plants in the year 1910, of every 100 deaths but 31 were of children under 5 years of age. Taking a city far removed from Massachusetts or from New Jersey, Seattle, Wash., we find the deaths of children under 5 years of age out of every 100 deaths were but 19, as against 50 in Fall River, 49 in New Bedford, and 47 in Lawrence, and of children under 1 year of age in Seattle but 14. Not to extend these comparisons too far I will make but two others, both of Massachusetts communities. In Cambridge, in that State, out of every 100 deaths, 26 were of children under 5 years of age, 19 of them being under 1 year of age; in Worcester, an industrial community, out of every 100 deaths, 30 were of children under 5 years of age, and of them 22 were of children under 1 year of age.

It is a frightful toll of child deaths exacted by these interests which have received from Republican Congresses the power to tax all the people, and that taxing power demanded and received under the immorally false claim that it was for the benefit of American labor. [Applause on the Democratic side.]

In Lawrence I determined to see for myself what were the living conditions of the toilers in the woolen mills. I was accompanied by interpreters, but made my own selection of tenements to visit, and in that way, going here and there in the quarters occupied by the mill hands, entering tenements which seemed to be of average condition, I talked with the workers, learning from whence they came and why, how long they had been in this country, what had induced them to come, their worldly state there and here, and facts as to their wages and their living expenses.

What their conditions of living were I saw for myself. That they were supplied with the necessities of life was demonstrated merely because they were alive, but it was hard to believe, in some cases, that human beings could exist under the conditions I found. In only one of a score of homes was there anything to eat except bread, and the supply of that was many times pitifully small. Two, three, and as many as four occupied one small room. The slender supply of furniture was cheap, rough, and many times broken. Of course, such things as carpets and curtains were unknown; men, women, and children poorly, and many times insufficiently, clad. This was the story simple observation told. As to other things which should be of interest to us who are asked to maintain a high protective duty, in order that the high standard of American living may be maintained, I made notes at the time, and it seems to me that instead of working those notes up to a statement in literary form that it will impart as much useful information and in less time if I give here a literal transcription of those notes written down as the information came to me in response to my questions. So I reproduce here merely some typical cases.

First. Husband, wife, and three children; two rooms; rent, \$2 a week; here seven years; husband only worker; wages, \$6.12 a week when he worked full time; no idea of weekly average for a year; had been shepherd in Italy; came because heard talk of plenty of money and work here; man had bought one overcoat and one suit of clothes in seven years, woman one dress.

Second. Husband, wife, two children, and boarder; five in three rooms; rent, \$2 a week; man had been farmer in Italy; does not live as well here as at home; works in finishing room; wages \$6.05, but made \$7.15 working three instead of two machines; sometimes ran four machines, but no more wages. If boss sees good, quick workman gives him more work but no more pay. Receiving strike relief from Italian parish school.

I want at this point to interrupt this transcription of my rough notes to speak of a happening in that home which proved that these people are eager to improve themselves, and that they are ambitious that their children shall receive enough schooling to make them good, intelligent citizens. I made a friend of one of the children, a boy of 7 whom I took to be 4 years old; the mother, observing our friendly relation, proudly produced a dog-eared reader in which there were translations of simple words from Italian into English. My little friend was asked to show how well he was going on with his study, and read some translations to me, both father and mother looking over his shoulder, eagerly striving, as it seemed to me, to keep pace with the youngster's advance in acquiring the English language. I speak of this because it is sometimes said of these people that they come here merely to pile up wealth and return to their own country, where they can acquire estates, and live in luxury and everlasting disdain of the United States.

And before proceeding with my notes I want to say a word about that most serious charge brought against the foreign workers in highly protected industries that some of them have saved money. The manner in which this charge is made clearly shows that those who make it expect thereby to demonstrate that the wages paid by these protected industries are excessive,

otherwise how could the wage earners save? Is thrift a sin? If one saves, though he starves to do it, is that Republican proof that wages are too high? Undoubtedly some of those people, where fathers and mothers and children have worked from 7 to 10 years, toiled eagerly, deprived themselves of every necessity except those absolutely required that they might barely live and continue to work, undoubtedly some such families have in 5, 7, or 10 years saved as much as \$200, and I think I heard of one awful example of \$300. But what they have done to save this dollar or two a month out of the wages of a family it would be cruel to expose in all its punishing poverty and suffering. Yet such thrift is used as an argument for the continuance of 90 per cent protection for the benefit of those who paid such families their wages. [Applause on the Democratic side.]

Before leaving this subject, I wish to add testimony of an active and intelligent official of the Central Labor Union. When I visited him he was in charge of the union's relief station in Lawrence, where the union was giving relief, upon application, to any applicant, whether he was a member of the union or not.

If, upon investigation, the union was satisfied that the applicant needed aid, it was furnished. This official told me that no American mill hand had saved any money from his wages, and my belief is that he included among the American workers not only the few remaining native born at work in the mills but also the comparatively few English and Irish expert mill hands who had come to this country years ago and who had not, as most of their kind have, escaped from mill work. Some of these, he said, came to his home and asked if they might not get some relief for their families without going to the relief station, where their poverty and distress would become publicly known. He had been able to afford relief quietly in response to such requests and thereby save the self-respect of those who applied in that manner only when the necessity of the helpless members of their family became dire. That was his answer to my question as to whether the wages of the toilers in this highly protected industry had been large enough to enable the toilers to save any provision against such times of necessity.

I had been told that the deposits in the savings banks of Lawrence were evidence that the Republican rate of wages paid has enabled the toilers to save. In answer to this my friend of the Central Labor Union replied that the savings depositors were of the usual class, the small tradesmen and professional people, bookkeepers and cashiers, and the members of the various locals of the Central Labor Union who were working in the unprotected industries—the carpenters, bricklayers, plasterers, blacksmiths, the railroad men, and, as usual, the various members of labor organizations working in industries unprotected by any part of the Republican tariff system. [Applause on the Democratic side.]

I will resume the transcription of my notes.

Third. Six adults; 3 brothers, 1 sister, 2 nephews; 5 worked; 3 rooms; rent, \$3 a week:

1 wasteman	.....	\$0.50
1 combing	.....	7.70
1 doffer	.....	5.10
1 spinning	.....	6.55
1 set bobbins	.....	5.10
Total	.....	30.95

Average weekly wage, \$6.19 when working full time.

In the above classification I have used the terms describing their employment as they were given to me by the interpreter, himself the son of a mill hand, and they may not be the terms used here by gentlemen in describing mill workers.

Fourth. Four couples, 1 baby, 9 in all; 4 rooms; rent, \$3; 4 men and 2 women worked:

1 twist	.....	\$8.00
1 wool shop	.....	6.20
1 spooling	.....	6.05
1 twist	.....	8.00
1 spinner	.....	6.55
1 wool shop	.....	7.50
Total	.....	42.60

Average wage, \$7.11 a week.

In this group, as in every other one I visited, I made inquiry as to the average weekly wages for a full year, but seldom could get any accurate estimate. There were layoffs or slack times, but what they amounted to in weeks in a year I did not learn until I questioned this group, where one of the women had kept some sort of an account of all their wages and the number of full work-weeks. Basing my estimate upon her statement, that there had been work which totaled 39 full weeks, a simple calculation shows that the average weekly wage, counting as many weeks in the year as they are obliged to live, was \$5.30. They had saved no money.



(5) Twenty-two people in 6 rooms—19 adults, 3 babies—came to America because they read in Italian papers letters from New York and Boston that there was lots of work and money in America. Eighteen adults work, all but one very old woman, who was nurse and caretaker and cook and housekeeper. These were neighbors in the old country. Two work in twist room, get \$6.35 a week, but worked overtime for four months for no different pay.

The interpreter explained that they got no extra pay for overtime work.

Would go back to Italy if they could, but had no money. One girl, with finger end cut off by machinery, asked for damages but got none; did not press for damages because lose job if she did. Two old women each got \$5.50 a week; only boss, wife, and 3 children were getting relief from strike fund; other adults ashamed to ask. One man worked overtime 3 hours a day for 27 cents—that was not right pay, but would lose job if complained. Another girl (brought in), whole index finger of left hand taken off while cleaning twisting machine. Rule was then must clean while machine running; rule changed since. Lawyer got \$25 for her, not damages, because they said it was her fault, but gave her money to feed herself and baby. Did not sue because she would lose job; went back to work for less wages; baby was 2 months old when she had accident; mother about 18.

(5) Polish, husband, wife, 3 children, 4 boarders, 9 in all, in 3 rooms, rent \$2 a week. Husband a weaver, \$7, sometimes \$8 a week, about 3 months full time last year, 9 months slack time when he earned \$3 or \$4 or \$5 a week. Farmers in old country. Read in papers that America was good country. One boarder (intelligent) earned \$6.50 a week, does not smoke or drink, but was short \$2 every month.

Q. Did you all want to strike?—A. Yes.

Q. If you lose strike will you go away?—A. Home?

Q. Yes, home?—A. No; not enough money to go home.

(6) Russians, 9 adults, 3 children, 12 in 4 rooms, rent \$3 a week; 8 people working, only sometimes full work, same pay for overtime; 7 years in America; no money saved; get relief from station; orders for groceries, \$1 worth of groceries a week for adults, 50 cents for children.

There is a literal transcription of some notes I took on my rounds. I have not attempted to supply any color to the picture drawn by those notes. I have refrained from any of the many comments that I might have made, refrained from shedding any side lights upon sights that I saw. I undertook that task with years of training in such work to aid me. I know that even a trained investigator may be deceived when seeking only the truth regarding such situations; I know that it is claimed that the average wage of the millworkers of Lawrence is something between \$9 and \$9.50 a week. I found just one man who said that he earned \$9 a week when he was working full time.

My Italian interpreter was recommended to me by a banker of Lawrence who knew him as an intelligent, honest, hard-working young man temporarily out of employment because the store in which he worked had laid off clerks. He came from a family of mill workers, and it was evident that the toilers he questioned respected him for his superior intelligence and worldly situation; and because of these reasons I am disposed to believe that the statements of these people, as I wrote them in my notes, were statements of facts; and the paramount facts deduced from my investigations, and from the official statistics of mortality published in United States Census Bulletin No. 109, show that these people—men, women, and children—toiling in an industry whose owners are permitted to lay a tax of 90 per cent on the clothes all Americans wear, do not receive wages enough to live in decency themselves and to prevent their children from starving to death. Starvation is one of the principal causes of the deaths of thousands of children of the workers in the most highly protected industries in America.

On the question of the average weekly wage, which has so definite and pitiful a relation to the death rate, I was able to obtain more detailed information in Fall River. There I had the pleasure of making the acquaintance of as fine an American citizen as I have ever met, Thomas Chew, superintendent of the Boys' Club of Fall River. He was a mill hand in Lancashire, England, when he reached the advanced age of 8 years, came to this country when he was 12 years old, and went to work in the mills of Fall River at a time when many English and Irish expert weavers were coming to this country. He had ambition and educated himself; he had the heart and soul of a philanthropist and a great pity for the children of the mill workers. He knew, what every investigator of such living conditions learns, that if you can save a boy from evil ways until he is 14 years of age you have done a great work for him toward saving him from ever falling into evil ways.

As a result of his effort Fall River has one of the best boys' clubs I have ever seen. At various times Superintendent Chew has induced M. C. D. Borden, one of the large mill owners of Fall River, to subscribe a quarter of a million dollars for these club buildings, and Chew supports and maintains them by subscriptions which he gets from people who appreciate the value of his work, but he gets no support from the mills. Boys under 14 years of age are glad to become members of one of these clubs, and many of the men working in the mills flock to the other, for there is also a men's club. There they have games, gymnastics, and many forms of entertainment, all under the least possible amount of oversight or supervision.

Unfortunately, no such work is being done for the girls of the families of mill workers. The mothers know the danger of allowing their girls the freedom of the streets, and it is a common thing in Fall River for the mother, when she goes to her work in the mill, to turn the boys out of doors, knowing they have the club to go to, and to lock in the girls under 14 years. When Mr. Chew made an investigation as to the causes which result in the death of 50 children out of every 100 people who die in Fall River, it was a common thing for him, when he rapped at a tenement door, to be answered by a little girl, who would say that she was locked in, taking care of the baby. Mr. Chew told me, also, that the school census takers frequently had the same experience.

I have told this much of that remarkable man because he was the only worker for the salvage of child life and child morals I discovered, and to show that he is familiar with wage and working facts, for the mill workers in Fall River all give him their confidence.

I took up with Mr. Chew this question of the average weekly earnings of the 35,000 or 40,000 mill hands in Fall River because I wanted to get from the best available authority information as accurate as might be; not what a pay roll of a single full week or month would show, but what these people earn on an average during 52 weeks in the year—that being the number of weeks in a year they are obliged to live if they can. As a result of our calculations, I find that the Fall River mill workers average during the year a weekly wage of \$6.25. The mills that pay these wages have been granted by Republican Congresses the privilege of collecting from the American people a bonus of 90 per cent on the goods they manufacture. [Applause on the Democratic side.] This privilege was granted, of course, in order that those receiving it might pay wages to their work people so high that a comfortable and self-respecting condition of living should be enjoyed by those work people.

I shall feel amply rewarded for the time and labor I expended if my humble contribution to knowledge regarding the workingman's benefits from a high tariff—if my contribution, I say, shall hasten the death of that most malicious fable—that a high protective tariff benefits the workingman. [Applause on the Democratic side.]

Mr. GREENE of Massachusetts. Mr. Chairman, will the gentleman yield for a moment?

Mr. TOWNSEND. I will yield for a question.

Mr. GREENE of Massachusetts. I only want to say that I live in Fall River, and have lived there since 1844. There is a woman's union in Fall River. Did the gentleman visit that?

Mr. TOWNSEND. I did not; but I am very glad to hear it. Mr. Chew told me there was no such institution as his for girls.

Mr. GREENE of Massachusetts. There is a woman's union in Fall River that is cared for by contributions of the people, as there are several institutions especially for the care of children provided for in the same manner.

Mr. TOWNSEND. I am very glad to get that information, but it is clearly, however, not a question.

Mr. GREENE of Massachusetts. I did not say it was a question, but I wanted to correct that part of the gentleman's statement.

Mr. TOWNSEND. I have no doubt that in Fall River, as in many other American cities, there are Christian women who do something toward caring for unfortunate women in all respects. As to Fall River, however, I could state some facts which could scarcely be printed in the RECORD regarding conditions almost forced upon mill girls of Fall River, and if the gentleman wishes me to do so I will state them.

Mr. GREENE of Massachusetts. I appreciate that the gentleman can possibly state many disagreeable facts, but I know these are not common alone to Fall River, but to every manufacturing city, both North and South, and I very much regret it; but as the gentleman stated there was no provision for the care of young girls I wished that statement corrected.

Mr. HEFLIN. Mr. Chairman, so far as the South is concerned, I deny that that is the condition of the mill employees in the Southern States.

Mr. GREENE of Massachusetts. Very well.

Mr. MCCOY. Will my colleague yield?

Mr. TOWNSEND. Certainly.

Mr. MCCOY. Was not the statement which the gentleman repeated as having been made by this head of the boys' club that there was no similar girls' club?

Mr. TOWNSEND. Quite so. I made no statement concerning any of the Christian women of Fall River giving ordinary care to destitute and unfortunate women. I stated, as my colleague suggests, that there was no similar institution for the care of girls.

Mr. GREENE of Massachusetts. I have known Mr. Chew ever since he has been a resident of Fall River, and I want to say the boys' club which he has charge of, was originated in a very peculiar way by contributions from the people of Fall River, and finally becoming discouraged in maintaining it, in looking over the directory he found the name of M. C. D. Borden, of New York—

Mr. TOWNSEND. I can not yield further to the gentleman. I have given Mr. Borden credit for having established this club.

Mr. GREENE of Massachusetts. I will take time later to reply to the gentleman.

Mr. TOWNSEND. And I will be very glad to hear the gentleman's testimony as to the condition of the mill workers of Fall River.

Mr. GREENE of Massachusetts. And I think I know them very well, as I have lived there since 1844.

Mr. TOWNSEND. I do not yield further.

Before I present some interesting figures as to child mortality in Fall River, let me quote briefly from the writings of Samuel Hopkins Adams, an investigator of the highest standing of municipal health condition. He quotes from official vital statistics, which show that Fall River has the second worse death rate of its class in the United States, in spite of its most favorable natural condition, and says:

Fall River is a healthful locality, well situated on sharp hills rising from a lovely bay. It is cleansed by the pervasive and consistent disinfection of salt breezes. It suffers no bitter extremes of heat or cold. At its very gates lies a good water supply, which, wisely, is guarded against contamination. Drainage is fair, though, unfortunately, not universal. There has been no sudden pressure of population to encourage and excuse the building of the evil type of tenement. Air and light are everywhere available. Broad areas of farming country near at hand furnish a milk supply which is at least of fair quality, as milk goes nowadays. Why, then, since Fall River is a healthful city, is it not also a healthy city?

The answer to that is, in my opinion, that even in that healthful city the wages of the 40,000 people working in its mills, turning out the many millions of dollars worth of goods, helping to make enormous dividends which are added to by a Republican tariff tax of 90 per cent, the answer is, I say, that those 40,000 mill workers get so small a portion of the mills' profits for their wages that they simply can not live in conditions where health is possible. [Applause on the Democratic side.] The mortality figures of these workers in Fall River are startling. I think I have already said that in that most favorably situated city, with no towering tenements, no congested areas, out of every 100 deaths 50 are of children under 5 years of age, and of those 39 are of children under 1 year of age.

If you will take Census Bulletin No. 109, and turn to table 3, on page 82, and run your eye along the columns giving the causes of death in Fall River, you will fail to find any deaths attributed to malnutrition or marasmus. Those two terms have been eliminated from the international list of causes of death, which list, very properly, has been adopted by Dr. Wilbur, who is at the head of the division of vital statistics in the Census Bureau. But among the causes of death even a layman will find many familiar names of diseases peculiar to children, and also he will find many diseases listed which modern medicine properly classifies as preventable diseases. Dr. Wilbur was kind enough to go over this very enlightening table with me, and he made two series of check marks, one indicating diseases peculiar to infancy and the other preventable diseases. A little examination of his check marks develops this fact—in the classification carried by the table there are 31 causes of death listed. Of these 19 are checked as preventable diseases, and I find that in Fall River every cause of death checked as peculiar to children has opposite, also, a check mark indicating that it is a preventable disease according to the theory of modern medical science.

If they are preventable why, in that healthful town, in that highly protected community, does the death rate of children under 5 years of age show 50 out of every 100 deaths? Why, when in the country at large there are out of every 100 deaths only 19 of children under 1 year of age, in Fall River are there 39? Why, when the owners of the mill are so highly protected

by a Republican tariff, are not the bowels of compassion of those owners moved to protect just a little the children of their workers? [Applause on the Democratic side.]

Mr. Chew is a practical man, and when these grewsome figures of children's death came to him he started out to make an investigating campaign of his own. He knew that the reason malnutrition and marasmus have been removed by modern medicine from its list of causes of death was because they do not describe a disease but a condition; he knew that the words were not accurate, that they have been used in the past merely as polite terms to describe starvation, but he wanted to know how many children died of starvation in Fall River in 1909. I take the result of his investigation from a newspaper published in Fall River, and the first headline in that Fall River paper, printed in large black type, reads "Thousands of babies die in year." He based his investigation, it appears, on figures supplied to him by the local health officers, and incidentally I may remark that his figures of deaths of children under 1 year of age in Fall River in 1909 are nearly 100 less than the figures given by bulletin No. 109 of the Census Bureau. But taking the most favorable report it is seen that in that year in Fall River, including stillbirths, 1,036 children under 1 year of age died. As the result of his investigation Mr. Chew tabulated thus:

Stillbirths	250
From preventable diseases	501
Nonpreventable diseases	285
Total	1,036

Then he goes into the causes of deaths of children under 1 year of age, and he is not ashamed to use those tabooed words, malnutrition and marasmus, meaning starvation, and he finds from that cause that there were in Fall River in that year 141 deaths of children under 1 year of age. And their mothers were working for \$6.25 a week manufacturing goods upon which a Republican tariff bonus of 90 per cent is charged against every person in the United States who wears a garment of cotton. And then, there were 250 stillbirths—250 little bodies starved to death before they were born, and the tariff only 90 per cent. Why, good God! the Republicans are only half right. If the privileged beneficiaries of a Republican tariff can not afford to pay wages high enough to prevent this slaughter of infants, let us double the tax, make it high enough, at least, so that babies may not be starved to death before they come into the world. [Applause on the Democratic side.]

I want to exhibit to Members here this map of the city of Fall River, which, it can be seen, is marked with groups of pins, 1,036 pins roughly divided into three groups, 786 black pins and 250 white pins. Every black pin indicates the street and house where an infant under 1 year of age died in Fall River in 1909, and every white pin indicates a stillbirth. One group roughly outlines the section of Fall River where the Italians and Poles live, a second one the section occupied by French and Belgian mill hands, and the third that section of the city occupied by immigrants from 17 other European countries. This very significant map is the result of the personal canvass of Mr. Chew to determine the facts indicated. At the conclusion of his investigation he found that he had the record of the deaths of 400 children under 1 year of age whose births had never been reported.

Such indifference to life you would never find in a well-conducted stock farm, where the birth of every colt and every calf is carefully entered in the studbook and the cattle register [applause on the Democratic side]; such indifference to life you would not find in any kennel, where the record, for future bench shows, registers the birth of every puppy. I refer to this because it is a striking evidence of a fact of which lawmakers must soon take careful notice; of the fact that in these mill towns there is a complete separation between the welfare and interests of the well-to-do and prosperous portions of the communities and those of the communities who toil in the mills. There is no common interest; the classes are separated as it was never designed the classes should be separated in American communities. They are separated in a way that is dangerous to those communities and to American institutions. There is a submerged, a neglected portion of the community whose very births and deaths are matters of indifference to the municipal authorities. Lest it be thought that conditions have improved I will insert at this time these figures: In 1909, as we have seen, the deaths of infants in Fall River, under 1 year of age, not including stillbirths, were 786; in 1910 I find from the United States census figures that they were 854.

What personal suffering and misery this condition gives rise to in these towns of highly protected interests that which I have already said gives, I hope, some hint. With what danger this condition menaces our institutions I ask those of you wiser than I to pause and give thought to. I believe that this arro-



gance and civic indifference are begot of privilege—the privilege a few have obtained from Republican Congresses to tax unjustly the many. [Applause on the Democratic side.] The few have been enabled to make large dividends without earning them. They are relieved from competition and the necessity imposed by competition to improve their products.

Let me say a few words on that last proposition: In Fall River I visited the Bradford-Durfee Textile School, one of the three which the State of Massachusetts, greatly to its credit, assists in maintaining. This school has for its superintendent a textile expert named Umpleby, who learned his craft in England, and studied in its higher branches, or at least pursued and finished his studies, in Germany and France. He is my authority for this statement: Textile mills in England and in Germany and in France will take shoddy; that is, the soft and loosely woven rag fabrics, tear it apart, comb, spin, and weave it, and make a better looking, more highly finished piece of cloth from it than any American mill will make from the best quality of raw material.

The American mills, enjoying these monstrous subsidies granted to them by Republican Congresses, are under no necessity of installing the latest and best type of plants or of paying high wages in order to secure expert labor, and thus are enabled to charge an artificial price for inferior product. I believe that the subsidy that they have been granted by the Government, this privilege to tax, relieves them of the necessity of making the highest class product.

Their profits are insured. I believe that these discriminations in their favor produce a state of mind among this privileged class which makes them careless in their manufactures, indifferent to the conditions of their toilers, and, as one result, we find these groups here, these pitiful black and white marks indicating preventable infant mortality; a lamentable result peculiar, so far as my observations go, to communities where highly-protected industries exist.

I want to exhibit to you this chart. The vertical columns, as you see, represent the months of that year, 1909; the horizontal lines the days of that month. The red wafers show the deaths in Fall River in that one year, many of them from preventable causes, of children under 1 year of age; the blue wafers show the stillbirths. Notice how strikingly the deaths increase in July, August, and September.

Not far from Fall River is the home of a summer colony famous all over the world for the magnificence of its palaces, the extravagance of its people, the varied and whimsical methods of their entertainment, the gorgeousness of their lawn fêtes and their water carnivals, the splendor of their entertainment of foreign people of title, the stately sweep of their lawns, and the perfection of their gardens. The same water which partly surrounds Fall River laps the beaches and bluffs of Newport. But in Newport in July, August, and September these palaces, some of them, are occupied by men and women whose colossal fortunes have been given to them by the operation of this Republican tariff subsidy. Their children you will find there in July, August, and September, cared for by nurses, by governesses, by tutors, enjoying every pleasure, every entertainment that wit or fancy can devise and prodigality provide to make their little lives happy and healthy. They are taken there in private yachts; they are cared for like little princes and princesses, protected from chill or from the summer heat, nourished, petted, and amused. All of this during those three dreadful months, whose record of infant deaths in the town of Fall River make ghastly red the splashes on this chart.

I am not inventing this shameful story; it is taken from the official records of a city a portion of whose vast profits, enormous dividends, people enjoy from stock shares under suspicion of carrying an undue amount of water. I am not endeavoring to incite class hatred. I merely wish, if I can, to make my fellow Members of the House of Representatives ask themselves if all is well with a fiscal policy responsible for this hideous red record on one shore of the waters of that beautiful sound, and responsible at the same time for the conditions of wealth, of luxury, of idleness, at a near-by part of those historic waters.

Noting the condition of those who benefit by the tariff, contrasted with the overtaxed consumers throughout the country, as well as the unfortunate workers in highly protected industries, all of whom are robbed by the tariff, it seems fair to assert that governmental pap, such as is this subsidy, ladled out to a privileged few by the Republican Party, is a mighty bad diet for any portion of a free people. It quickens the appetite, to be sure, but it deadens the conscience; it gives luxuries to the few, to be sure, but it deprives the many of common comforts; it affords education, travel, leisure for those who fatten on this governmental pap, but it imposes on the many unrelieved toll and unjust taxes upon their necessities of life.

The salvage of human life must be taken as one fair measure of a community's conscience, its sense of right and wrong, of charity. What, then, must be our judgment of the rich in a community who are indifferent even to the salvage of the lives of those who can not save themselves—the little ones, the children? Let 90 per cent of helpless infants die if only those who need no aid are helped by tariff subsidies at a 90 per cent rate. What do they care about the death rate so long as the tariff rate is maintained by votes of a Republican Senate or the veto of a Republican President?

Where the black and white marks on the map tell the hideous story of preventable infant mortality, I noticed, as I walked through that District of Sorrow, that one of the streets was named Hope. That, surely, was the very malice and frenzy of satire. [Applause on the Democratic side.] Hope? What quantity of that merciful possession can sooth the heart of man, woman, or child working in dull and unilluminated routine, which gives but a feeble hold upon a miserable existence at best. What hope is there to assuage, even by promise, the dull pain of unsuckled breasts of mothers whose children were starved before they were born, while the mothers toiled with the pain of their untimely tribulation.

What hope for the boy who begins working in the mills when he should be playing in the fields, working at the start for \$2 a week, earning a little more by slow increases, but only a little more; working on, just to preserve life, until at 50 he is worn out and becomes worse than the unemployed—the unemployable!

Are we not justified in thinking that they fare best who escape from that drab existence before they endure more than a few days of its suffering, before they can appreciate the glories and delights of high Republican tariff, before they are taught to understand the blessings granted by Government to insure the high standard of American living for all who toil in protected industries?

May we not excuse those who, after living such lives, look, perhaps not wholly in sorrow, at these black and white pins, at these red splashes on the chart? They know what years of misery were saved by the events which placed those telltale pins upon this silent but picturesque Republican tariff argument. [Loud applause.]

Mr. Chairman, if I have any time left, I yield it to the gentleman from Connecticut [Mr. REILLY].

The CHAIRMAN. The gentleman has 15 minutes remaining. The gentleman from Connecticut [Mr. REILLY] is recognized for 15 minutes.

Mr. REILLY. Mr. Chairman, my distinguished colleague, Hon. ERENEZER J. HILL, of Norwalk, Conn., who has written the minority report that accompanies this woolen schedule, has long posed as a high priest of protection as enunciated by Republican platforms and as preached from Republican lay pulpits. In addition to his belief in Republican tariff theology, he appears to be convinced that he has been commissioned from some more or less authoritative source as the champion of American labor and its defender against the hordes of the so-called pauper labor of Europe.

He has been fairly successful in making some people believe that he is and has been a high protectionist only because of his unselfish, undying love for the American workingman.

He has almost exploded with indignation when anyone has dared point a finger at the sacred Grand Old Party tariff; he has wept tears, copious and crocodile—but copious at any rate—over the woes of the workers in mill and factory; he has drawn pictures of the prosperity that prevails under the benign influence of 100 per cent duties and the dire distress that must ensue if those duties are disturbed. He has told you in his thrilling "Story of the Extra Session" of the cold-blooded attempts of the Democrats to ruin American industries; he has told you of their deep-laid plans to close the mills and the shops; he has told you of their efforts to bring disaster upon the people in general, either because of their ignorance in the matter of proper legislation or their willful intent to raise hell in general with business. [Applause on the Democratic side.] He has tried to show you why no one but a Republican high protectionist should be permitted to enact any tariff legislation.

He has almost taken the stand that no one but himself knows anything about a tariff, and that when it comes right down to it, Messrs. PAYNE and DALZELL are mere tariff pickers. And this vast knowledge and this wonderful comprehension of the scope of a high protective tariff, he wants you to understand, have been used exclusively by him in all tariff legislation for the protection of the dear American workingman and his happy, happy home. Has anyone dared question the purity of his motives in his devotion to the cause of the tariff barons, especially the woolen kings? Has anyone dared insinuate anything mercenary

in that specific or ad valorem loyalty to the princes of protection? No, siree. The fear of the dreadful blowing up that would follow even a mere hint of that sort has heretofore been enough to prevent. [Applause on the Democratic side.] To his Imperial Majesty Ebenezer I [laughter], King of Wool-dom and Emperor of Tariffania, only the highest altruistic motives have been ascribed [laughter]; only a burning desire to help the wage earner in all his protective pyrotechnics. [Applause on the Democratic side.]

There are dreams that one dislikes to dispel; there are pictures that one hates to destroy. To do so may be called cruelty and vandalism, but there are unpleasant as well as pleasant duties that must be performed.

Let us leave this HILL of altruism and get down to brass tacks. What do we find in connection with the attitude of the distinguished Connecticut champion of Schedule K and its minority offspring now under consideration?

We find that in addition to the protection for the American woolen workers there is other protection desired. There may be protection for the Norwalk Mills Co. desired. The gentleman from New York [Mr. BRADLEY], in the recent debate on the metal schedule, was questioned by the gentleman from Missouri [Mr. HAMLIN] as to his interest in a certain industry upon which he desired a higher duty than the bill provided. The reply of the gentleman from New York was that before coming to Congress he had been interested largely in the industry in question, but when he was elected to or nominated for Congress he disposed of his interest, because he wished to be in a position to legislate without a personal bias on all matters. It was the expression of a high ideal of public duty and was characteristic of the gallant colonel.

The annual reports of the Norwalk Mills Co. from 1888, when the printing of the reports began under the Connecticut law, down to and including 1912, show that EBENEZER J. HILL, of Norwalk, owned from 70 to 140 shares of the stock of that concern. They show that he was not only a stockholder, but that he was and is a director of that company, and they also show that he was the vice president of the concern for several years. [Applause on the Democratic side.] So that there may be no mistake as to the identity of the E. J. HILL, one of the reports distinguishes the director as Hon. E. J. HILL, of Norwalk. Not only was he interested in the manner described, but one of his sons was treasurer of the company for a while.

Herewith are given some figures and facts from the annual reports of the Norwalk Mills Co., showing the connection of my colleague with the company as a stockholder:

Year	Name	Residence	Number of shares.
1887	E. J. Hill	Norwalk	120
1888	do	do	120
1889	do	do	132
1890	do	do	140
1891	do	do	140
1892	do	do	140
1893	do	do	70
1894	do	do	70
1895	do	do	70
1896	do	do	97
1897	do	do	97
1898	do	do	97
1899	do	do	97

In 1900 the law was changed so that it required only the filing under oath of the following particulars, namely, the amount, the capital stock actually paid in, a list of the directors and officers, and the location of the principal office in Connecticut. The report of 1900 of the Norwalk Woolen Mills Co. was made and sworn to by EBENEZER J. HILL, vice president, and Frederick J. Hill, treasurer.

From 1900 up to and including 1910 the name of E. J. HILL appears in the annual report as vice president and director of the Norwalk Woolen Mills Co. In 1910 Mr. HILL retired from the vice presidency, but remains as a director in the company, according to the reports filed, including the one filed for 1912 on the 2d day of January of this year.

The annual report of the Norwalk Mills Co. for 1900, when the change in the law took place, was made by the Messrs. Hill as vice president and treasurer, and is as follows:

We, EBENEZER J. HILL, vice president, and Frederick A. Hill, treasurer, of the Norwalk Mills Co., a joint-stock corporation organized under and pursuant to the laws of the State of Connecticut relating to joint-stock companies, and located in the town of Norwalk in said State, in compliance with the requirements of said laws, hereby certify under oath: That the condition of the affairs of said company, as nearly as the same could be ascertained, on the 1st day of January, 1900, in the following particulars, was as follows:

The amount of capital stock actually paid in was \$100,000.

## Directors.

Name	Date of election and term of office.	Residence.
John A. Osborn	May 10, 1899 (1 year)	42 West Avenue, Norwalk.
Ebenezer J. Hill	do	40 West Avenue, Norwalk.
Ebenezer Hill	do	South Norwalk, Conn.
Eugene L. Boyer	do	Norwalk, Conn. (Winnipauk, Conn.).
John P. Treadwell	do	Norwalk, Conn.
Henry P. Price	do	Do.
D. Warren Fitch	do	Do.
John A. Osborn, president.	June 12, 1899 (May, 1900)	42 West Avenue, Norwalk.
Ebenezer J. Hill, vice president.	Sept. 21, 1899 (May, 1900)	40 West Avenue, Norwalk.
Frederick A. Hill, treasurer.	Oct. 10, 1899 (May, 1900)	Norwalk, Conn. (Winnipauk, Conn.).
Frederick A. Hill, assistant treasurer, secretary, assistant secretary.	Nov. 13, 1899 (May, 1900)	Do.

Location of principal office in Connecticut, Winnipauk; post office, Norwalk, Conn.

In witness whereof we have hereunto set our hands this 12th day of February, 1900.

EBENEZER J. HILL, Vice President.  
FREDERICK A. HILL, Treasurer.

(U. S. I. R. stamp, 10 cents, affixed and canceled.)

NORWALK, February 12, 1900.

STATE OF CONNECTICUT,  
County of Fairfield, ss:

Personally appeared EBENEZER J. HILL, vice president, and Frederick A. Hill, treasurer, of the Norwalk Mills Co., signers of the foregoing certificate, and made solemn oath to the truth of the same before me.

H. P. PRICE, Notary Public.

Received for record February 15, 1900, and recorded by—  
ANNIE E. SMITH, Assistant Town Clerk.

OFFICE OF TOWN CLERK.

STATE OF CONNECTICUT, COUNTY OF FAIRFIELD,  
Town of Norwalk, ss:

I, Herbert R. Smith, town clerk of said town, hereby certify that the foregoing is a true copy of the record of the instrument recorded in the records of joint-stock corporations of said town in volume 1 on page 118.

In witness whereof I have hereunto set my hand and the seal of said town this 25th day of March, 1912.

HERBERT R. SMITH, Town Clerk.

Is there any great surprise that my colleague should be selected to write a Republican woolen schedule? [Applause on the Democratic side.] Is there any great surprise that he desires to see a high tariff kept on woolen goods? [Applause on the Democratic side.] Is it all for the American workman that he is pleading?

I wish it to be clearly understood that I have no fault to find with my colleague for being a stockholder, director, or vice president of the Norwalk Mills Co. It is rather to his credit as a thrifty man. I have such a high personal regard for my colleague that I would like to see him a director and stockholder in many companies. His financial prosperity can not be so great as to in any way displease me, because, except when some one trespasses on his high tariff domain, my colleague is a most affable gentleman. [Applause.] But what I do find fault with is my colleague as the stockholder, director, and vice president of a woolen mill being permitted to draw up a tariff bill affecting that industry. [Applause on the Democratic side.] If this tariff question were being settled by a jury, my colleague would not be eligible for jury duty because of his interest in the case. [Applause on the Democratic side.] He has no moral right to be making tariff bills for a woolen industry. But it is a concrete example of what the Republicans mean by their plea to have the tariff revised by its friends. [Applause on the Democratic side.] When he gives his facts and figures, of which his head is filled, as the distinguished ex-Speaker of the House stated during the reciprocity debate, he gives facts and figures that are seen through bias and computed through prejudice. [Applause on the Democratic side.] His case is typical of the Republican policy of putting friends of various interests on committees that are supposed to regulate those interests.

Anticipating a statement that my colleague might make in relation to this Norwalk Woolen Mill if he were present—and I regret that he is not—

Mr. HILL. He is here. [Laughter.]

Mr. REILLY. I am glad to see the gentleman here. Anticipating a question he might ask, I will say that the mill has not been running for the past few months. Why? If I were to follow my colleague, I might say because the tariff was not high enough on woolens to protect the American manufacturer—

Mr. HILL. Mr. Chairman, may I ask the gentleman a question right there?



Mr. REILLY. Not now, as I have but a few minutes left. But that would not be a good answer, because for years Stockholder, Director, and Vice President HILL has been making woolen schedules as a majority member of the Ways and Means Committee, and if it were not high enough he would add on as much as he liked. [Applause on the Democratic side.] Then, again, he has shown in his minority report to-day that the tariff was high enough—in fact, too high—for, with an eye to the near future and with his ear close to the ground, he has recommended a reduction from the Payne-Aldrich figures.

If the tariff was not the cause of the closing of the mill, there is another reason that may be attributed—failure to meet the competition. Let us look at that a moment. Who are the competitors of the Norwalk mills? The American Woolen Co.—the Wool Trust. [Applause on the Democratic side.]

Oh, the irony of fate! While my colleague has been here breaking his neck to put enormous dividends in the pockets of the Wool Trust by a high tariff wall, that trust was engaged in its usual pastime of putting a competitor out of business; and my colleague is one of the victims, unless he has been taken over. [Applause on the Democratic side.]

The story of the Norwalk mills and my colleague's unselfish championship of the cause of American labor is the story of the robber tariff that the American people are beginning to learn by heart. They are getting their eyes opened to the iniquities that have been perpetrated upon the American people in the name of the American workingman. [Applause on the Democratic side.] They are realizing that it has been a crumb for wage earners and a loaf for the tariff and mill barons. [Applause on the Democratic side.] The day when the smooth-tongued, polished advocates of a piratical tariff can get away with that stuff is passed. [Applause on the Democratic side.]

The American workmen know they are the poorest paid in all the world when their productivity is taken into account. The American wage earners saw a panic and the hardest times in 1907 under the highest tariff, except the Payne-Aldrich-Hill tariff.

But they know now the tariff come-on when they see him, no matter how disguised, and will not be buncoed again. They see a Republican President and a Republican Tariff Board changing front and admitting that the "difference in the cost of production" bugaboo is busted and will have to go into the discard with the "reasonable profit" dodge. [Applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. FOSTER. Mr. Chairman, I desire to be recognized.

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. REILLY. I would like to finish.

Mr. FOSTER. How much time does the gentleman desire?

Mr. REILLY. Two minutes.

Mr. FOSTER. I ask that the gentleman be allowed five minutes in which to finish his speech.

The CHAIRMAN. The gentleman from Connecticut [Mr. REILLY] is recognized for five minutes.

Mr. REILLY. They can see the selfish interest behind the high tariff stalking horse, and they are simply waiting for November to come to prove that the hoodwink days are passed and that they have had enough of the so-called protection. The protection that makes them poor and lean in the sweat of their daily toil, while the tariff barons wax rich and fat; the protection that adds a dime to what they earn and a dollar to what they eat. [Applause on the Democratic side.]

I yield back, Mr. Chairman, whatever time I have not used.

#### MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. CONNELL having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 5919. An act to increase the limit of cost for the United States post-office building at La Salle, Ill.

#### THE WOOLEN SCHEDULE.

The committee resumed its session.

Mr. FOSTER. Mr. Chairman, my understanding was that there was to be two hours' general debate on this side, inasmuch as they have taken two hours on the other side.

Mr. DALZELL. Your side has occupied more time than this side. Your side has occupied 2 hours and ours has occupied only 1 hour and 35 minutes. The gentleman from Alabama [Mr. UNDERWOOD] himself occupied an hour.

Mr. FOSTER. Your side has occupied more time than ours. Mr. Chairman, I think I am recognized.

The CHAIRMAN. Just a moment. The condition of the record is this: The Democratic side has used 2 hours and 2 min-

utes. The minority side has used 1 hour and 35 minutes, leaving 55 minutes of my colleague's time and 25 minutes' time to the gentleman from Pennsylvania [Mr. DALZELL].

Mr. DALZELL. I do not care to be recognized, Mr. Chairman, but the gentleman from Michigan [Mr. HAMILTON] does desire to be recognized.

Mr. FOSTER. Mr. Chairman, I think I have the floor.

Mr. DALZELL. We are entitled to be recognized on this side of the House at this time.

Mr. FOSTER. The gentleman from Pennsylvania will remember this, that his side was recognized according to an understanding with the majority leader, Mr. UNDERWOOD, and given an hour's time, and you consumed all but five minutes of that hour.

Mr. UNDERWOOD. I will say to the gentleman from Pennsylvania [Mr. DALZELL] that I regret that the situation came about this way, and for that reason I did not want any man to use over an hour, because I was afraid it would bring about confusion. But I was recognized for one hour, and the gentleman from Connecticut [Mr. HILL] was recognized for an hour. Then the time should have come back to our side, because we were entitled to it, which would have allowed the gentleman from New Jersey [Mr. TOWNSEND] to come in, and then it would go to the gentleman's side and then come back to us. Now, two gentlemen have been recognized on this side and two on that side, and the result is that this side is now entitled to recognition. I am perfectly willing, however, I will say to the gentleman, when the proper time comes, to make up his time.

Mr. DALZELL. I will only say that the time ought to be divided equally between the two sides of the House.

Mr. UNDERWOOD. The recognition ought to go according to rule, because the two sides have been recognized.

Mr. HAMILTON of Michigan. I will say, Mr. Chairman, that I have so much regard for the gentleman from Illinois [Mr. FOSTER] that if he desires to proceed I am willing to forego my opportunity now, if I have an opportunity. I may be laboring under a misapprehension as to my right.

Mr. FOSTER. I decline to yield if I can be recognized.

Mr. UNDERWOOD. I think the gentleman from Illinois [Mr. FOSTER] is merely within his rights. I have no desire to cut off that side.

Mr. HAMILTON of Michigan. Then, if I may be permitted to make an inquiry, is this side entitled to be recognized next?

The CHAIRMAN. The Chair will recognize the gentleman from Illinois [Mr. FOSTER], and unless the gentleman from Pennsylvania [Mr. DALZELL] wishes to utilize his 25 minutes, the gentleman from Michigan [Mr. HAMILTON] will next be recognized.

Mr. HAMILTON of Michigan. That will be to-morrow morning?

Mr. FOSTER. I do not want to occupy but a short time.

Mr. HAMILTON of Michigan. I do not wish to go on to-night.

Mr. FOSTER. Mr. Chairman, we have listened this afternoon to what was to my mind one of the most remarkable addresses ever delivered upon the floor of this House. I refer to the remarks of the gentleman from New Jersey [Mr. TOWNSEND]. He has taken up a different line of argument than that usually heard in tariff discussions. We usually hear talk about what effect a tariff will have upon the business of the country, on the particular commodity upon which the tariff is to be levied, and the cost to the people of the country. The gentleman from New Jersey [Mr. TOWNSEND] has shown us this afternoon that in these mill and factory towns, in these mills for whose benefit the protective tariff has been levied, the mortality is greater than it is in any other cities of the United States.

We have heard much in this House in the last two or three years with reference to the protective tariff and the benefit that it is to labor. I have heard men talk here until they were blue in the face, until they sweat as they never sweat before in their lives, advocating a high protective tariff for the benefit of the laboring man of the country. Yet it has been demonstrated here to-day by Government statistics that these people in the mill centers of the country, in the cotton and woolen industries of Massachusetts, do not get proper food, clothing, or shelter. Whether they put all their money into savings banks and refuse to spend their wages to procure food to eat and proper clothing to wear for themselves and their families I leave for some friend of the protected industries to tell this House. I suppose that they would come upon the floor of this House and show that over in Massachusetts there are thousands of workmen in those mills who revel in wealth, that the vaults of the savings banks are bulging and bursting with the wealth of the laboring men, who are the direct beneficiaries of our high protective system of tariff taxes.

But do you know that a witness testified before the Committee on Rules a short time ago that these shrewd, smart mill owners, who, it is said, are looking out so well for the protection of the American laboring men, that their cards were distributed in foreign countries, in the labor centers, and that those cards contained upon the one end a picture of a beautiful mill and on the other end, a street between, is represented a savings bank, with a stream of people traveling from the mill over to the savings bank with bags of gold. And some of those people who came to this country brought some of the cards with them to Massachusetts in order that they might identify that mill and that savings bank, where they were to be so very prosperous. [Applause on the Democratic side.] Well, my friends, it seems strange indeed that these people working in the mills would live 8 or 10 or 12 of them in 3 or 4 rooms, and that they would live on food of the kind that has been testified to in order that they might take the money across the street and put it in the savings bank.

I will ask you, is it natural anywhere in the world that men who go out and toil from early morning until late at night will starve themselves if they have money with which to get enough to eat? There may be exceptional cases, but that is not the rule. Human nature is very much the same the world over when it comes to those things. The hunger of a man in Italy or the hunger of a man in Russia is very much the same as it is in England or in Germany or in the United States.

The gentleman from New Jersey [Mr. TOWNSEND] spoke also of the great mortality in these mill centers. There is a reason for this; some cause is certainly to be found why the mortality is so great. What is necessary to make people strong and keep them healthy? There are certain essentials to do this. Among them are these: They must have proper houses to live in; they must have proper clothing, proper food, and proper hygienic surroundings. Do we find those conditions there? It has been testified to before a committee of this House that those people usually have meat once a week; that their wages are not such as to permit them to live as they ought to live and as all people ought to live. If there is any man in the world and any man's family that ought to have the proper necessities of life, it is the man who goes out and toils and creates the wealth of the country.

On account of the improper housing of the people, on account of crowding them into rooms, as has been shown here to have been done in Lawrence and Fall River, Mass., and other mill centers of the country, we find that there is not sufficient air for each person to breathe in those crowded rooms. In order for each person to breathe properly, so that the body may be healthy, so that there may be sufficient oxygen taken into the system, there must be a certain amount of pure air to be breathed.

If we have not that air, our bodies will suffer. Deteriorated air brings on disease.

It is necessary to have proper clothing to keep the body healthy. It was testified by a trained nurse from New York, who appeared before the Rules Committee, that on her visit to Lawrence, Mass., among those children she found that out of 119 children only 4 had underclothing. She said that the shoes of the little children of that community were worn out until their bare feet were almost on the ground. She said that the older ones, those who were able to work in the mills and earn something for themselves, were better clothed. Yet those mill owners' cards, with the pictures of the mills and savings banks where they might deposit and hoard up their thousands upon thousands, were sent to the labor centers of Europe. This was done to secure the cheaper labor in Europe.

Every man who has studied hygiene and its relations to the human body knows that a certain amount of food and a certain kind of food is necessary if the body is to be properly maintained. The growing child must have a different food than the grown person who works. One of the witnesses who appeared was a Mr. Carter, who was employed as a missionary, one of these sanctified sort of fellows who would make the heavens weep when he prayed for the poor of Lawrence, Mass. He was employed and his salary was paid by the mill owners of Lawrence. He said his expenses were paid by contributions, but the fact was, as he testified later, that he was paid by the mill owners of that particular city. What was his business? It was to go around and help these people, and, when he found them without sufficient food or clothing or fuel, I suppose it was his business to comfort them and make them feel as good as possible on what little they had to live on.

I would like to read from his testimony that particular item and show how they did enjoy food that was given to them. Talking about giving these children a lunch he says:

Another thing which became apparent, children were coming to school hungry. In one of the schools, while things were going at their best

last November, a very bright and intelligent teacher noticed that the children of the school were not quite so wide-awake about the middle of the forenoon. Upon making inquiry, she discovered that the times being so prosperous the father and mother went to work and the children had to scramble out of bed, dress themselves, take a bite to eat as best they could, and go to school and go through the forenoon without anything very substantial to eat.

Now, gentlemen, mark you, this was a great thing that they were doing for these school children at Lawrence, Mass. He further says:

The teacher canvassed the matter and this was the result, that she bought large loaves of bread that were 12-cent loaves, and they are big enough to knock a man down with, and are good, solid, wholesome food.

He was asked the question if they were big enough to knock a horse down, and he said "Yes." He said they were good, wholesome food for the children, and that a 12-cent loaf would cut enough portions so that they could sell them with a little corn sirup dribbled onto them for a cent apiece and not lose anything on the job. They were careful to cut their slices of bread so that there would not be anything lost on the job. He said the parents were delighted, and scores of children came every day with their pennies and were independently fed. I want to say to my good friend, Mr. WITHERSPOON, that down in Mississippi that would not be much of a luxury to give a child a piece of hard bread with a little corn sirup dribbled on it.

Then he says:

We opened up one of the schools and some of the ladies came in and assisted in the work, and one lady, who holds a high social position in Lawrence, said, after the first day's experience, that she had spent a pleasanter forenoon than she ever had at a whist party.

Now, I call attention to this to show you the situation and to corroborate the statement of the gentleman from New Jersey [Mr. TOWNSEND], that there is no wonder that the infant mortality, living in the homes they do, living on the kind of food they are compelled to live on, clothing themselves with the kind of clothing that they are compelled to put on them, it is no wonder that the mortality is so large in these localities.

A man who has had much to do with the young men and boys of the industrial centers says:

I think you will find that when the father's earnings are not sufficient to keep the mother at home, infant mortality, juvenile crime, ignorance, and poverty are the result.

We find that these companies in Massachusetts upon their pay envelopes give advice to the workmen in these highly protected industries—in these industries in which it is said that if you reduce the tariff you will close down the mills and throw workmen out of employment. Some of the pay envelopes were exhibited before the committee, and it seems that they give some wholesome advice on the backs of them. On the back of one was this advice, solemnly put out by the trustees of the Broadway Savings Bank, controlled by the Woolen Trust:

Who own their homes? Those who save regularly and place it where it grows. One dollar will open an account at this bank, with 4 per cent interest.

Now, then, the real joke on this envelope was that on the other side in the opposite corner was the amount of wages that this particular workman received, which was \$2. It went to No. 1607 for his week of labor. The employees are not carried on the pay rolls by name, but by their numbers, like convicts in a penitentiary.

Then the owner of pay envelope No. 1217 also got a very funny one when he saw what was coming to him. The envelope handed to him by the trust bore this legend:

Don't spend all your income. A man's duty to himself is to save money out of his earnings and start an account and be independent.

The timekeeper's rate on this man's envelope was \$6.05, which probably was the reason that he was advised to be independent. [Laughter.] Who that receives the princely sum of \$6 a week would stop to think of such trifles as owning a home? This man probably owns a city mansion already and knows that the trust could give him no advice suitable beyond advising him to be independent. No wonder the textile-mill workers went on a strike. Who would work when there was an opportunity to listen to the funny jokes handed out to them every week by the funny old Woolen Trust. [Laughter.]

The end man in a minstrel show never perpetrated a funnier joke than these millionaire mill owners work off on their employees, and, like the end man, they keep a straight face during the performance.

What do we find in reference to the wages at Lawrence, Mass.? These are taken from the Tariff Board report, volume 4, page 1007. We find that their report covers 174 woolen mills, covering two-thirds of the productive capacity of the whole country.

#### TARIFF BOARD REPORT.

Covering 174 woolen mills, comprising over two-thirds of the productive capacity of the whole country, including Arlington Mills, Kunhardt Mills, Pacific Mills, Selden Worsted Mills,



United States Worsted Co., Walworth Bros., Washington Mills, and Wood Worsted, all of Lawrence, Mass.

## WEAVERS' WAGES.

Table showing number at \$10.80 per week or less.

	Number.
10 and not 11 cents per hour, less than \$5.94 per week	65
11 and not 12 cents per hour, less than \$6.48 per week	100
12 and not 13 cents per hour, less than \$7.02 per week	117
13 and not 14 cents per hour, less than \$7.56 per week	158
14 and not 15 cents per hour, less than \$8.10 per week	183
15 and not 16 cents per hour, less than \$8.64 per week	192
16 and not 17 cents per hour, less than \$9.18 per week	232
17 and not 18 cents per hour, less than \$9.72 per week	258
18 and not 19 cents per hour, less than \$10.16 per week	256
19 and not 20 cents per hour, less than \$10.80 per week	234

Table showing number at more than \$10.80 per week.

	Number.
20 and not 21 cents per hour, less than \$11.34 per week	226
21 and not 22 cents per hour, less than \$11.88 per week	212
22 and not 23 cents per hour, less than \$12.42 per week	231
23 and not 24 cents per hour, less than \$12.96 per week	183
24 and not 25 cents per hour, less than \$13.50 per week	135
25 and not 26 cents per hour, less than \$14.04 per week	100
26 and not 27 cents per hour, less than \$14.58 per week	86
27 and not 28 cents per hour, less than \$15.12 per week	64
28 and not 29 cents per hour, less than \$15.66 per week	58
29 and not 30 cents per hour, less than \$16.20 per week	50
30 and not 31 cents per hour, less than \$16.74 per week	26
31 and not 32 cents per hour, less than \$17.28 per week	8
32 and not 33 cents per hour, less than \$17.82 per week	3
33 and not 34 cents per hour, less than \$18.36 per week	1
34 and not 35 cents per hour, less than \$18.90 per week	2
35 cents and more per hour, at more than \$18.90 per week	2

Less than 20 cents, or \$10.80 per week	1,745
More than 20 cents, or more than \$10.80 per week	1,387

Total number of weavers..... 3,132

We paid a high price for these figures, especially as they were already extant in many receptacles, but having paid for them we have a right to use them as authentic.

Of 3,132 weavers in all the mills, 3,180 get less than \$18.90 per week, and 2 over \$18.90—nearly three-fifths of all the weavers get less than \$10.80 per week.

The average wage for male weavers is 22½ cents an hour, or \$12.01 a week; for females, 17½ cents per hour, or \$9.27 per week; for all weavers, 19½ cents per hour, or \$10.66 a week.

These figures are intended to show that these people who are asking us to maintain the high protective tariff on the wool industry are not paying their workmen the proper proportion that belongs to them or of what they are getting from the protective tariff, and in reality the tariff does not benefit the workmen, but only increases the fortune of the mill owners.

## MASSACHUSETTS.

From the Thirty-ninth Annual Report on the Statistics of Labor for 1908 for the State of Massachusetts, a State noted the world over for the number of its protected industries—the poorest paid industry in the world—it appears that there were 108 strikes in Massachusetts in 1908, involving 10,864 men, women, and children of the laboring class. The strikes lasted from 1 to 79 days and were distributed for cause as follows:

	Strikes.
Increase of wages	40
Against decrease	14
Other wage causes	6
For decrease of hours	9
For union shop	9
For recognition	2
For union rules	2
For apprentice rules	2
For sympathy	3
Other causes	21

TOTAL CHANGES IN WAGES IRRESPECTIVE OF STRIKE (PAGE 210).

Five thousand nine hundred and forty-seven employees succeeded in getting an increase averaging \$1.57 a week, while 95,420 sustained a decrease averaging \$1.04 a week. Four thousand four hundred and twenty-eight employees got a shortening of hours averaging five and four-tenths hours a week. Six thousand and forty-four establishments, with a capital of \$717,987,000, made goods valued at \$1,172,808,000 and paid in wages \$245,207,000, or an average yearly wage of \$510.

Seventy-six thousand nine hundred and twenty-five employees, in making boots and shoes, received \$551 a year, working 285 days; 91,645, in cotton goods, got \$438 in 271 days; 18,179, on woollens, got \$444 in 203 days; 11,390, in paper and pulp, got \$489 in 253 days.

Such is the record of protection to its protected employees.

Received less than \$3 a week	4,827
Received from \$3 to \$5 a week	30,519
Received from \$5 to \$6 a week	38,745
Received from \$6 to \$7 a week	54,950
Received from \$7 to \$8 a week	57,737
Received from \$8 to \$9 a week	59,651
Received from \$9 to \$10 a week	64,204

Received less than \$1.50 a day	310,433
Employees had work in manufactures in 1908	575,997
Received from \$9 to \$25 or more per week	265,564

More than one-half of the employed get less than \$1.67 a day, while less than one-half get more.

Three hundred and ninety-three thousand three hundred and one employees out of a total of 575,997 get under \$2 a day, two-thirds and more received less than \$2, while less than one-third of the employees received \$2 or more per day. Such is Republican protection—a help for the few and a menace to the many.

## WAGES MEASURED BY THE AMOUNT OF LABOR'S PRODUCT.

One of the main props relied on by the protectionists to maintain the protective tariff is the miserable subterfuge and falsehood that it benefits and "protects" the American wageworker by assuring him higher and better wages than are paid foreign workmen in similar industries. The utter falsity and shallowness of this claim of the advocates of protection has been exposed again and again, but by no one more logically and convincingly than by the Hon. WILLIAM C. REDFIELD, of New York, in his very able speech delivered during the first session of the present Congress, in which he proved conclusively that, measured by the standard of production, the American worker in the protected industries received no higher wages than his brother in foreign countries.

Measured by the standard of production, we have in the United States to-day the cheapest and poorest paid labor of any civilized country on the globe.

Our protectionist friends are wont to parade bewildering arrays of figures to show that the American wageworker, in comparison with his English, German, or Italian brother, receives a princely wage. The value of these statistics are discounted by the late James G. Blaine in his report on the textile industries, made when he was Secretary of State in 1881, in which he submitted a comparison of the wages paid spinners and weavers in the cotton mills of Lancashire, England, and Massachusetts. On pages 98 and 99 of that report Mr. Blaine gives the following comparison of the weekly wages paid in the English and Massachusetts mills as follows:

Spinners: English, \$7.20 to \$8.40 (master spinners running as high as \$12); American, \$7.07 to \$10.30.

Weavers: English, \$3.34 to \$6.84; American, \$4.82 to \$8.73.

The average wages of employees in the Massachusetts mills are as follows, according to the official returns: Men, \$8.30; women, \$5.62; male children, \$3.11; female children, \$3.08. According to Shaw's report the average wages of the men employed in the Lancashire mills, January 1, 1880, were about \$8 per week, subject to a reduction of 10 per cent; women, from \$3.30 to \$4.30, subject to a reduction of 10 per cent.

The hours of labor in the Lancashire mills are 56 and in the Massachusetts mills 60 per week. The hours of labor in the other New England States, where the wages are generally less than in Massachusetts, are usually 66 to 69 per week.

Then summing up and accounting for the difference in wages of English and American operatives, that great Republican Secretary of State and champion of protectionism goes to the heart and core of the whole subject of wages in these words:

Undoubtedly the inequality in the wages of English and American operatives is more than equalized by the greater efficiency of the latter and their longer hours of labor.

There you have it. American factory workers are paid higher wages than the English workers because they are more efficient and skillful and work longer hours, consequently they produce more.

What is true of the textile manufacturing industry is true of every other manufacturing industry in this country.

Mr. CONNELL. Mr. Chairman, I would suggest to the gentleman from Illinois that his use of the word "earned" in enumerating these various cases is possibly misleading. That is what these people receive. If you want to find out what they earn, go to the dividends; go to the great fortunes and the great mountains of money that have been piled up out of the sweat and blood of these people, who have received not what they earned but what they were given. [Applause on the Democratic side.]

Mr. FOSTER. Mr. Chairman, I think the gentleman from New York is entirely correct, but I spoke of what they earned as being what the mill owners gave these people. This was a mistake. I should have said what they received, and so intended, and will correct my remarks accordingly. I do not doubt that the gentleman from New York is entirely right and that these people in these mills earned many thousands—yes, many millions—more than they received; but this was all they could wring from these tight-fisted men, who ask protection for their industries of nearly 100 per cent.

My friends, it was said this afternoon that these conditions exist almost within sight of where the waves lap the shore of Newport, where the rich revel in the wealth wrung from the American people because of our high protective tariff; and it seems to me that those people could hear the cry of the dying infant in the hovels in Lawrence or in Fall River, and that their hearts ought to be such as beat for humanity, for the

upbuilding of men and women and children in this country. [Applause on the Democratic side.] We talk of charity, and we talk of helping these people. We talk of our fellow beings and what we would do for them; yet these people in Lawrence, Mass., these mill owners—and I dare say the same may be said of Fall River—seem to think that the idea of doing something for these people is that they should be thankful, like Lazarus, to get the crumbs that fall from the rich man's table. [Applause on the Democratic side.] Tolstoi said, "The rich are willing to do everything for the poor except get off their backs," and these greedy, grasping mill owners are willing to do everything for their employees except to cease robbing them. This may seem a harsh characterization of the mill owners, but it seems justifiable when we contemplate the enormous dividends paid the owners of the Fall River mills during the last four years ending June, 1908, as given by Samuel Hopkins Adams:

	Per cent.
Border City, 45 per cent yearly average.....	11.25
Cornell, 57½ per cent yearly average.....	14.37
Richard Borden, 72½ per cent yearly average.....	18.12
Tecumseh, 86 per cent yearly average.....	21.5
Union Cotton, 88½ per cent yearly average.....	22.12
Pocasset, 124 per cent yearly average.....	31
Laurel Lake, 146 per cent yearly average.....	36.5
Troy, 231 per cent yearly average.....	56.25

Not all the mills are so profitable, doubtless. But all of them seem to be successful, and most of them have made large fortunes for their owners. Large or small, all maintain the same wage scale.

It is yet strange that with an infant mortality of 50 per cent there should be a yearly dividend of 50 per cent. Yes, Mr. Chairman, they come to this Congress and ask that they may be given another lease, another right, another opportunity, another time, to rob the American people in the interest of labor. O Labor, what sins have been committed in thy name. [Applause on the Democratic side.]

These men who produce the wealth of the country, these men who go out and toll with their hands from early morn to late at night, ought to share in the profits that this high protective policy has given to these manufacturers for these many years, wherein the people have paid taxes on what they have been compelled to buy. Yet it is said they should be thankful because they have got old Brother Carter over there in Lawrence, Mass., to thank the Lord that they are able to live. They should be thankful that their children may be able to go to school with a penny in their pocket and have a treat and enjoy the luxury of a piece of hard bread with a little molasses dribbled on it. These people who advocate the high protective policy say they do not want the workmen of this country to have to be degraded to the level of the workmen of Europe, and yet their cards are distributed in the labor centers of Europe to induce men, women, and children to come to this country that they may employ them in their mills at a cheap wage in competition with American workmen and drive them out of the shop. The Literary Digest of March 9, 1912, printed the following article on the Lawrence (Mass.) strike:

So far as can be gathered from conflicting accounts, some 20,000 workers are still "out" at Lawrence. Renewed bitterness and new acts of violence are thought likely to follow the recent happenings. On the other hand, certain wage concessions recently announced by the mill owners may satisfy the operatives and thus end the strike within a few days. In both Houses of the Federal Congress resolutions for investigations of the Lawrence situation have been offered and discussed, and the Federal Department of Justice will look into the matter to see if any citizens have been deprived of constitutional rights. Senator POINDEXTER, Progressive Republican, of Washington, who visited Lawrence, found conditions there "the clearest illustration of the fallacy of an excessive tariff that the United States has ever known." The textile manufacturers have used the plea that a high tariff helps keep up the standard of living of the American workman. The Senator finds, as he is quoted in the New York American, "that the textile manufacturers have at these mills as squalid labor as can be found in the four corners of the earth; they pared down the wages of these people not to meet the standard of living in the United States, but to the barest possible margin of existence."

In one miserable tenement building I found 54 persons living. Twenty-two of them worked in the mills at an average pay of \$6.67 a week. This is \$2.75 per week with which to buy food, clothes, light, and fuel, and pay rent for each of the 54. These are luxuries which the mill laborers enjoy under the rich picking of a high protective tariff.

Families are concentrated in Lawrence by sheer force. If they are starved into subjection and forced to go back to work at such wages as the manufacturers choose to pay, there is little substantial difference between their condition and abject slavery.

What can the Government do?

It can reduce the tariff to a reasonable rate, so that these manufacturers will not be able to gouge the workman on the one hand and the consumer on the other.

Similar testimony leads the Louisville Post to conclude impressively:

Here we have a picture of the workings of the Payne bill, the best tariff bill that ever passed, as Mr. Taft called it. In the first place, as shown at the mills of the American Woolen Co., it secures only a starvation wage for laborers in New England manufactories. In the

second place, the most pauperized labor of Europe has been brought here to work in protected mills, and the good of the "American laboring man" has been lost sight of.

It was an evil day for protection that brought the strike at Lawrence in a presidential year.

They say they want to help the laboring man of our own country. They want to see that he is properly taken care of, and so they want an opportunity to levy a high protective tariff and keep up this tariff so they may still help out the laboring men of the country. Oh, they are comforting when you think about it. On the envelopes of those who receive \$2 a week they put an inscription advising the receiver to save this money and buy a home, and on the envelopes of the men who get \$6.05 a week they put on the advice that they should save their money and be independent. What a farce! [Laughter.]

Mr. CONNELL. Get married and raise a family.

Mr. FOSTER. Mr. Chairman, the time will come, and I believe the time is here now, when the American people have made up their minds and opened their eyes to what is really meant by these men who profess great friendship for the laboring men of the country and yet in reality want to levy a high tariff for their own benefit.

The tender solicitude of these tariff robbers for the poor laboring man reminds one of—

The considerate crocodile  
Who lived on the banks of the river Nile;  
Who rolled up his eyes with a look of woe,  
While his tears fell fast to the stream below.  
"I am mourning," said he, "the unhappy fate  
Of the poor little fish that I just now ate."

I believe the people fully understand that this high protective tariff is not for the laboring man, but that he is merely being used to satisfy the greed of the manufacturer. The saying of Lincoln that "You can't fool all the people all the time" is here now. They have conjured with the name "labor" because they have thought it would be popular and that through the laboring man they still might filch from the pockets of the people of this country the money which they get under the pretext of helping the workingman. [Applause on the Democratic side.]

I hope that every man upon the other side of the Chamber, though it may be hard for him to do so, will carefully read the statistics given by the gentleman from New Jersey [Mr. Townsend] in reference to the health and sanitary conditions of the people of Lawrence and the people of Fall River, Mass. After they have read that and studied the mortality statistics of preventable diseases, I feel sure that they will be willing to say this tariff does not benefit the laboring man. I see my good, genial friend and colleague from Illinois, the leader of the minority, Mr. MANN, in his seat, and I know him so well that I know that he always stands for humanity. I know when he reads these statistics, made by a Republican official over in the Census Bureau, and when he realizes the condition that these people are in and the thousands who are dying in those centers of the highly protected industries, even though he is a strong Republican and a strong party man, yet having the heart in him that I know he has, he will not fail to say that he believes that this tariff should be reduced and that these laboring men are not getting the benefits claimed for them. [Applause on the Democratic side.]

Mr. MANN. Will my colleague yield for a question?

Mr. FOSTER. Yes, sir.

Mr. MANN. Does not my colleague think that in view of the mortality statistics which have been presented and to which he has referred it is highly advisable for that side of the House to present to this House a bill enlarging the power of the Public Health Service such as the last Republican House passed? [Applause on the Republican side.]

Mr. FOSTER. Well, I would say this, Mr. Chairman, to my colleague, that I would rather have an ounce of prevention than a pound of cure. I would rather give these people the proper food and the proper clothing and proper housing, to remove the cause of this mortality, than to undertake to cure them after they have gotten the disease. [Applause on the Democratic side.]

Mr. MANN. The Public Health Service power enlarged might remove the cause of that mortality, but certainly the driving out of the country of the businesses which these men are now engaged in will not help them to get bread and butter.

Mr. FOSTER. I have heard the talk of driving industries out of the country very often upon that side of the House if we reduce the tariff. Why, they said that when the Payne-Aldrich tariff was revised upward that if the rates were reduced upon the woolen schedule it would drive that industry out of business.

Mr. MANN. Will my colleague yield again?



Mr. FOSTER. And yet we find that the gentleman from New York [Mr. PAYNE] comes in here with a bill to reduce the tariff, as he says.

Mr. MANN. I think the gentleman, like myself, has heard for more than 50 years the statement made by Republicans that an undue reduction of the protective tariff would result in driving industries out of the country. That is a matter of opinion, and was possibly true until you passed a tariff bill, and since then it has been a certainty. [Applause on the Republican side.]

Mr. FOSTER. Well, I will state this, that under a high protective tariff in 1907, when you had a panic, the Democratic Party was not responsible for that, were they? You had a panic in 1873. The Democrats were not responsible for that, were they? We have had one panic said to be under Democratic administration, but really what was left us from the former administration, and we are entitled to one more before we are even with you. [Laughter and applause.]

Mr. MANN. You have already started it before you have come in power.

Mr. FOSTER. Well, it was started in 1907, while your party was in absolute control of all branches of this Government.

Mr. MANN. Oh, yes; a very quiet panic, and did not drive any industries out of the country, as were driven out 20 years ago and as they will be driven out again if you succeed at the polls.

Mr. FOSTER. Well, the patient may not be in bed, but he has walking typhoid fever or malaria now, and is liable to drop over dead any minute under Republican rule.

Mr. MANN. And will have paralysis as long as there exists any possibility of Democratic success.

Mr. GREENE of Massachusetts. Will the gentleman yield?

Mr. FOSTER. Yes, sir.

Mr. GREENE of Massachusetts. I suppose the gentleman has read in history, if he does not know by actual knowledge, of the panic of 1857?

Mr. FOSTER. Yes; I have heard of it.

Mr. GREENE of Massachusetts. Well, I know of it by actual knowledge; and the panic of 1907 was—

Mr. FOSTER. Let me ask the gentleman a question.

Mr. GREENE of Massachusetts. Very well.

Mr. FOSTER. You had mills in that town in 1857?

Mr. GREENE of Massachusetts. Yes, sir.

Mr. FOSTER. And you know something about conditions that existed then?

Mr. GREENE of Massachusetts. Yes, sir.

Mr. FOSTER. And you know—

Mr. GREENE of Massachusetts. Would you like to have me state them?

Mr. FOSTER. Wait a minute; I am not through with the question.

Mr. GREENE of Massachusetts. Go ahead.

Mr. FOSTER. Have you found conditions in 1857 in regard to mortality as great among the people there as they are to-day?

Mr. GREENE of Massachusetts. There were no statistics gathered then.

Mr. FOSTER. Were the mortality conditions as high as now?

Mr. GREENE of Massachusetts. Very much lower; and I want to state to the gentleman—

Mr. FOSTER. Wait a minute. Some of these salaries have averaged \$2 a week. How does it compare with conditions then?

Mr. GREENE of Massachusetts. No one was ever paid as low as \$2 a week at any time at any mill in Massachusetts.

Mr. FOSTER. Do you know whether these people working in the mills at that time wore woolen clothing or not?

Mr. GREENE of Massachusetts. I do not recollect what they wore.

Mr. FOSTER. You think they did, do you not?

Mr. GREENE of Massachusetts. As I stated I do not recollect what the operatives wore, but I would like to state to the gentleman—

Mr. FOSTER. I can not yield any longer; I want to make this observation—

Mr. GREENE of Massachusetts. But the gentleman wanted me to give some information as to the conditions—

Mr. FOSTER. You have given the information.

Mr. GREENE of Massachusetts (continuing). In 1857, and I want to give the information to you.

Mr. FOSTER. You have given me the information asked for, and I do not want any more now.

Mr. GREENE of Massachusetts. You said you wanted—

Mr. FOSTER. I will ask for it when I want it.

Mr. GREENE of Massachusetts. Then you do not want it.

Mr. FOSTER. I want to state this, in conclusion—

Mr. McLAUGHLIN. He has stated you have given him all he could stand.

Mr. FOSTER. You have given the workman in Lawrence about all the protection he can stand.

Mr. GREENE of Massachusetts. He said he wanted the information.

Mr. FOSTER. The gentleman has given it, and that is all. I do not know but the gentleman from Massachusetts seems to be somewhat solicitous in regard to this tariff on account of the workmen in the mills and the mill owners at Fall River in Massachusetts. I do not blame him for that, for they live in his district, and he ought to exercise his fatherly care and see that these workmen get what should come to them for their labor.

I am sure, however, that there are many of those mill owners who have not divided their profits or anywhere near it, so far as the tariff is concerned, with the working people who are employed in the mills.

Mr. GREENE of Massachusetts. Let me say to the gentleman that I think the people of Fall River know what many of you gentlemen have never known, that I have always defended their rights against any injustice by mill owners, and I have never owned any mill stock myself.

Mr. FOSTER. Oh, I impute to the gentleman from Massachusetts the highest motives. The mills of Fall River are in his district, and I would not say for one minute that the gentleman would stand on the floor of this House and defend the high protective tariff for the mill owners of Massachusetts alone. Do not understand me to charge the gentleman with that. I agree that the gentleman is an able champion of the high protective tariff for the benefit of the mill owners of Massachusetts.

Mr. GREENE of Massachusetts. I am a champion of a protective tariff, and I am able to defend it. [Applause on the Republican side.]

Mr. FOSTER. I have no doubt of that; but I question whether the gentleman has defended so well the work people of those mills as to see to it that they are properly protected—the men, women, and children who are employed in the mills—because, I understand, the mortality in the Fall River mills is much greater than the mortality in other parts of the country. I have no doubt of that, but I hope and pray that if this bill becomes a law, or if it does not become a law and we are still operating under the old high protective-tariff bill which is claimed to be for the benefit of the working people—I hope the gentleman will go back to Lowell, Mass.—

Mr. GREENE of Massachusetts. No; I shall not go back to Lowell—

Mr. FOSTER. I mean Fall River. [Laughter.] You are so big up there that I get you mixed. You are scattered all over Massachusetts.

Mr. GREENE of Massachusetts. There are no woolen mills in Fall River.

Mr. FOSTER. No; but you have cotton mills highly protected. I want to say this, that when the gentleman goes back to Fall River, Mass., I hope he will not forget to get together with those mill owners there and try to persuade them to see to it that those people who work in the mills get their proportion of the protective tariff that is levied under the Payne law. [Applause on the Democratic side.]

Mr. GREENE of Massachusetts. I will say to the gentleman that I have talked with the millmen and the operatives more than the gentleman from Illinois ever talked with them, and have come nearer to them than the gentleman ever did.

Mr. FOSTER. Oh, that may be true. The gentleman lives with them. I never was over there. I will say this, that according to the reports from the State of Massachusetts it does not look to me as though those mill owners of Massachusetts had paid much attention to what the gentleman told them. [Applause on the Democratic side.] I judge that because the rate of wages up there is still very low.

Mr. GREENE of Massachusetts. I will say to the gentleman that I have talked plainly with them, and, further, if I had as much money as many of the gentlemen on the other side of the aisle I would have had some stock that would have permitted me to exercise a voice in controlling them. I may add that under the existing tariff law, upon an agreement between the cotton operatives and manufacturers, wages were increased 10 per cent to go into effect April 1, 1912. The same to be effective throughout New England.

Mr. FOSTER. The mill hands have been unable to get any increase without organizing and striking for higher wages. The manufacturers have not willingly raised their wages, and then just as little as possible. But the gentleman voted all the time for a high tariff.

Mr. GREENE of Massachusetts. Yes; Republican—straight. [Applause on the Republican side.]

Mr. FOSTER. I have no doubt about that. I have no doubt of the gentleman's Republicanism and high protectionism.

Mr. GREENE of Massachusetts. I have been a consistent Republican and protectionist.

Mr. BURLESON. You ought to be ashamed of it. [Laughter on the Democratic side.]

Mr. GREENE of Massachusetts. No; I am not. [Applause on the Republican side.]

Mr. FOSTER. But after the next election I am sure the gentleman will conclude that he does not want to be a protectionist any longer. [Laughter on the Democratic side.]

Mr. GREENE of Massachusetts. I will take care of that part of it.

Mr. FOSTER. Well, the people over in your country may take care of it. [Applause on the Democratic side.]

Mr. GREENE of Massachusetts. I have no trouble about that. I pride myself upon the loyal support of my constituents irrespective of their political opinions. [Applause on the Republican side.]

Mr. FOSTER. Mr. Chairman, a protective tariff has not benefited the workingman. The standard of his living has not been raised as a result of the imposing of the unjust burden on the people. In the highly protected textile mills of Massachusetts and other sections of the country it has been shown time and time again that the workers do not get the benefits of this tariff. The same is shown to be true in the iron mills of Pennsylvania. But the tariff does increase the profits of the manufacturer, builds up trusts and combinations, stops competition, and raises the price of the necessities of life to the consumer and robs the American people of hundreds of millions of dollars each year.

Mr. UNDERWOOD. Mr. Chairman, I will ask the gentleman from New York [Mr. PAYNE] if some one on that side desires time.

Mr. PAYNE. I have no speakers desiring time just now. I am ready to rise.

Mr. UNDERWOOD. If any gentleman on that side of the House does not care to go on this evening, I will move that the committee rise. Mr. Chairman, I move that the committee do rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GRAHAM, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 22195, to reduce the duties on wool and manufactures of wool, and had come to no resolution thereon.

#### ENROLLED JOINT RESOLUTIONS SIGNED.

Mr. CRAVENS, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled joint resolutions of the following titles, when the Speaker signed the same:

H. J. Res. 232. Joint resolution extending the operations of the act for the control and regulation of the waters of Niagara River, and for the preservation of Niagara Falls, and for other purposes; and

H. J. Res. 263. Joint resolution to authorize allotments to Indians of the Fort Berthold Indian Reservation, N. Dak., of lands valuable for coal.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 3686. An act authorizing the Secretary of the Interior to permit the Missouri, Kansas & Texas Coal Co. and the Eastern Coal & Mining Co. to exchange certain lands embraced within their existing coal leases in the Choctaw and Chickasaw Nations for other lands within said nations.

#### SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 5919. An act to increase the limit of cost for the United States post-office building at La Salle, Ill.; to the Committee on Public Buildings and Grounds.

#### LEAVE OF ABSENCE.

Mr. HOWELL, by unanimous consent, was granted leave of absence indefinitely, on account of important business.

#### ADDITIONAL LABOR, DOORKEEPER'S DEPARTMENT.

Mr. LLOYD. Mr. Speaker, I wish to present the following privileged resolution from the Committee on Accounts.

The SPEAKER. The gentleman from Missouri [Mr. LLOYD] submits a privileged resolution, which the Clerk will report.

The Clerk read as follows:

House resolution 466 (H. Rept. 476).

*Resolved*, That the Doorkeeper is authorized to employ additional labor, for folding speeches, at the rate of not exceeding \$1 per thousand, and the sum of \$2,000 is authorized to be expended from the contingent fund for that purpose.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken, and the resolution was agreed to.

REPORTS OF THE BUREAU OF ANIMAL INDUSTRY (H. DOC. NO. 686).

The SPEAKER laid before the House the following message from the President of the United States, which was read and, with the accompanying documents, referred to the Committee on Agriculture and ordered to be printed:

*To the Senate and House of Representatives:*

In compliance with the requirements of section 11 of the act approved May 29, 1884 (23 Stat., 31), providing for the establishment of a Bureau of Animal Industry, I transmit herewith copies of the reports of the operations of said bureau for the fiscal years ended June 30, 1910, and June 30, 1911.

WM. H. TAFT.

THE WHITE HOUSE, March 29, 1912.

VETO MESSAGE—MANEUVER GROUNDS AT OR NEAR ANNISTON, ALA. (H. DOC. NO. 657).

The SPEAKER also laid before the House the following message from the President of the United States, which was read:

*To the House of Representatives:*

I return House joint resolution No. 178 without my approval, for the reasons stated in the letter, under date of March 27, 1912, of the Secretary of War, copy of which accompanies this message.

WM. H. TAFT.

THE WHITE HOUSE, March 29, 1912.

Mr. UNDERWOOD. Mr. Speaker, I desire to inquire what the message relates to.

The SPEAKER. It relates to establishing a training ground in Alabama.

Mr. UNDERWOOD. I believe it came from the Military Committee, did it not?

The SPEAKER. The Chair so understands.

Mr. UNDERWOOD. I move, Mr. Speaker, that the veto message, with accompanying papers, be referred to the Committee on Military Affairs.

The motion was agreed to.

VETO MESSAGE—BURNT TIMBER ON THE PUBLIC LANDS (H. DOC. NO. 656).

The SPEAKER also laid before the House the following message from the President of the United States, which was read:

*To the House of Representatives:*

I return herewith H. R. 9845 without approval. My objections to the bill are stated in the communication of the Secretary of the Interior that accompanies this message. I hope that the difficulty which the Secretary points out may be remedied, because I approve of the general relief sought by the bill.

WM. H. TAFT.

THE WHITE HOUSE, March 29, 1912.

The SPEAKER. That bill came from the Committee on the Public Lands.

Mr. UNDERWOOD. Mr. Speaker, I move that the veto message and accompanying papers be referred to the Committee on the Public Lands.

The motion was agreed to.

#### ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 13 minutes p. m.) the House adjourned until to-morrow, Saturday, March 30, 1912, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of War, withdrawing estimate of an appropriation for the construction of a breakwater at the Army supply depot, Fort Mason, Cal. (H. Doc. No. 652); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of Commerce and Labor, recommending an amendment to the estimate of appropriation for



general expenses, Lighthouse Service, for the fiscal year 1913 (H. Doc. No. 653); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Secretary of Commerce and Labor, transmitting communication from Commissioner of Immigration and Naturalization, relative to the construction of an immigration exposition building at the city of St. Louis, Mo. (H. Doc. No. 654); to the Committee on Public Buildings and Grounds and ordered to be printed.

4. A letter from the Acting Secretary of the Treasury, transmitting copy of a communication from the Secretary of Agriculture submitting estimate of an urgent deficiency appropriation required for the Bureau of Soils (H. Doc. No. 655); to the Committee on Appropriations and ordered to be printed.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. SIMS, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 19078) to abolish the Commerce Court, and for other purposes, reported the same with amendment, accompanied by a report (No. 472), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. FLOOD of Virginia, from the Committee on the Territories, to which was referred the bill (H. R. 18033) to modify and amend the mining laws in their application to the Territory of Alaska, and for other purposes, reported the same with amendment, accompanied by a report (No. 475), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

#### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. COX of Ohio: A bill (H. R. 22579) to distribute the surplus in the Treasury of the United States to the several States, Territories, and the District of Columbia for the sole purpose of improving the roads therein; to the Committee on Ways and Means.

By Mr. McMORRAN: A bill (H. R. 22580) to authorize the change of the names of the steamers *Syracuse* and *Boston*; to the Committee on the Merchant Marine and Fisheries.

By Mr. SHACKLEFORD: A bill (H. R. 22581) providing that the United States shall in certain cases make compensation for the use of highways for carrying free rural-delivery mail; to the Committee on Agriculture.

By Mr. RAKER: A bill (H. R. 22582) to amend section 2 of an act to authorize the President of the United States to make withdrawals of public lands in certain cases, approved June 25, 1910; to the Committee on the Public Lands.

By Mr. WHITE: A bill (H. R. 22583) to distribute the surplus in the Treasury of the United States to the several States, Territories, and the District of Columbia for the sole purpose of improving the roads therein; to the Committee on Ways and Means.

By Mr. NEELEY: A bill (H. R. 22584) for the erection of a public building at Larned, Kans.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 22585) to distribute the surplus in the Treasury of the United States to the several States, Territories, and the District of Columbia for the purpose of improving the roads therein; to the Committee on the Post Office and Post Roads.

By Mr. MORRISON: A bill (H. R. 22586) to amend section 55 of "An act to amend and consolidate the acts respecting copyright," approved March 4, 1909; to the Committee on Patents.

By Mr. RIORDAN: A bill (H. R. 22587) for the relief of certain retired officers of the Navy and Marine Corps; to the Committee on Naval Affairs.

By Mr. CURLEY: A bill (H. R. 22588) to amend an act to regulate the immigration of aliens into the United States, being chapter 1134 of the laws of 1907, as amended by chapter 128 of the laws of 1910; to the Committee on Immigration and Naturalization.

By Mr. SULZER: A bill (H. R. 22589) to provide for the acquisition of premises for the diplomatic establishments of the United States at the City of Mexico, Mexico; Tokyo, Japan; and Berne, Switzerland; and for the consular establishment of the United States at Hankow, China; to the Committee on Foreign Affairs.

By Mr. LINDBERGH (by request): A bill (H. R. 22590) for the civilization and relief of the White Oak Point Band of Chippewa Indians in Minnesota, and for other purposes; to the Committee on Indian Affairs.

By Mr. CLAYTON: A bill (H. R. 22591) to amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; to the Committee on the Judiciary.

By Mr. GOEKE: A bill (H. R. 22592) providing that the United States shall in certain cases make compensation for the use of certain public roads of the States for the purpose of transporting free rural delivery mails; to the Committee on the Post Office and Post Roads.

By Mr. ADAMSON: A bill (H. R. 22593) to amend an act entitled "An act to regulate commerce," approved February 4, 1887, and all acts amendatory thereof, by providing for physical valuation of the property of carriers subject thereto and securing information concerning their stocks and bonds and boards of directors; to the Committee on Interstate and Foreign Commerce.

By Mr. LEE of Pennsylvania: A bill (H. R. 22594) permitting the State of Pennsylvania to place a bronze tablet in the corridor of the National Capitol at Washington to the memory of the 530 Pennsylvania soldiers who reached Washington on the 18th day of April, 1861, for the defense of the National Capitol; to the Committee on the Library.

By Mr. JAMES: A bill (H. R. 22595) authorizing the appointment of an additional clerk of the District Court for the Western District of Kentucky; to the Committee on the Judiciary.

By Mr. BATES: A bill (H. R. 22596) requiring double postage on certain mail matter forwarded on which sufficient postage is not prepaid; to the Committee on the Post Office and Post Roads.

By Mr. RAKER: Joint resolution (H. J. Res. 284) for the appointment of a commission to investigate the advisability and necessity of obtaining redwood timber lands for the purpose of establishing the Redwood National Park in the redwoods, Humboldt County, Cal.; to the Committee on Agriculture.

By Mr. SIMMONS: Memorial from the State of New York, favoring H. R. 36, H. R. 4428, and S. 2367, protecting migratory game birds; to the Committee on Agriculture.

By Mr. LINDSAY: Memorial from the State of New York, favoring H. R. 36, H. R. 4428, and S. 2367, protecting migratory game birds; to the Committee on Agriculture.

By Mr. GOLDFOGLE: Memorial from the State of New York, favoring H. R. 36, H. R. 4428, and S. 2367, protecting migratory game birds; to the Committee on Agriculture.

By Mr. DRAPER: Memorial from the State of New York, favoring H. R. 36, H. R. 4428, and S. 2367, protecting migratory game birds; to the Committee on Agriculture.

By Mr. PATTEN of New York: Memorial of the Senate of the State of New York, favoring legislation for the protection of migratory game birds; to the Committee on Agriculture.

#### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Minnesota: A bill (H. R. 22597) granting a pension to Godfrey J. Andrist; to the Committee on Invalid Pensions.

By Mr. BURGESS: A bill (H. R. 22598) for the relief of A. J. Hodges, T. W. Hodges, and C. C. Hodges; to the Committee on Claims.

By Mr. BURKE of Wisconsin: A bill (H. R. 22599) granting an increase of pension to Edward S. Bragg; to the Committee on Invalid Pensions.

By Mr. CLAYPOOL: A bill (H. R. 22600) granting an increase of pension to Isaac Baker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 22601) granting an increase of pension to Jeremiah L. Hayes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 22602) granting an increase of pension to Kenton Core; to the Committee on Invalid Pensions.

By Mr. DAUGHERTY: A bill (H. R. 22603) granting a pension to James M. Robinson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 22604) granting an increase of pension to William Lapher; to the Committee on Invalid Pensions.

By Mr. DE FOREST: A bill (H. R. 22605) granting a pension to Daniel Lawlor; to the Committee on Pensions.

By Mr. ESTOPINAL: A bill (H. R. 22606) for the relief of John H. Howlett; to the Committee on Military Affairs.

By Mr. FIELDS: A bill (H. R. 22607) for the relief of Townley H. Bellomy; to the Committee on Military Affairs.

Also, a bill (H. R. 22608) for the relief of William G. Anderson; to the Committee on War Claims.

Also, a bill (H. R. 22609) for the relief of John Moore; to the Committee on Military Affairs.

By Mr. FLOOD of Virginia: A bill (H. R. 22610) granting a pension to R. Henry Catlett; to the Committee on Pensions.

Also, a bill (H. R. 22611) for the relief of J. Terry Dillard; to the Committee on War Claims.

By Mr. GOEKE: A bill (H. R. 22612) to remove the charge of desertion from the record of William Urton; to the Committee on Military Affairs.

By Mr. GUDGER: A bill (H. R. 22613) granting a pension to Martin Dalgetty; to the Committee on Invalid Pensions.

By Mr. HOWELL: A bill (H. R. 22614) for the relief of Daniel M. Frost; to the Committee on the Public Lands.

By Mr. LITTLEPAGE: A bill (H. R. 22615) for the relief of the legal representatives of Thomas Eaglston, deceased; to the Committee on War Claims.

By Mr. McGUIRE of Oklahoma: A bill (H. R. 22616) granting an increase of pension to David Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 22617) granting an increase of pension to George S. Stevens; to the Committee on Invalid Pensions.

Also, a bill (H. R. 22618) providing for payment to N. E. Saylor for property destroyed by fire started by students of the Chillicothe Indian School; to the Committee on Claims.

By Mr. MADDEN: A bill (H. R. 22619) for the relief of the Chicago & Alton Railroad Co.; to the Committee on Claims.

By Mr. MORRISON: A bill (H. R. 22620) granting an increase of pension to Noah E. Wingate; to the Committee on Pensions.

By Mr. NEELEY: A bill (H. R. 22621) granting a pension to Rhoda Ann Evans; to the Committee on Invalid Pensions.

Also, a bill (H. R. 22622) granting an increase of pension to William Tipton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 22623) granting an increase of pension to Benjamin A. Cox; to the Committee on Invalid Pensions.

Also, a bill (H. R. 22624) granting an increase of pension to Benjamin Butler, alias Benjamin Bulison; to the Committee on Invalid Pensions.

By Mr. PADGETT: A bill (H. R. 22625) for the relief of the Christian Church, Columbia, Tenn.; to the Committee on War Claims.

By Mr. ROBERTS of Massachusetts: A bill (H. R. 22626) for the relief of Passed Asst. Surg. Paul Tonnel Dessez, United States Navy; to the Committee on Naval Affairs.

By Mr. RUSSELL: A bill (H. R. 22627) granting an increase of pension to Lewis F. Branson; to the Committee on Invalid Pensions.

By Mr. SELLS: A bill (H. R. 22628) granting an increase of pension to John S. Humphreys; to the Committee on Invalid Pensions.

By Mr. SHACKLEFORD: A bill (H. R. 22629) granting a pension to William P. Reed; to the Committee on Invalid Pensions.

Also, a bill (H. R. 22630) granting an increase of pension to Isaac Bashore; to the Committee on Invalid Pensions.

By Mr. SIMMONS: A bill (H. R. 22631) granting a pension to Louisa Margaret Brown; to the Committee on Pensions.

By Mr. SPEER: A bill (H. R. 22632) granting an increase of pension to Charles E. Stamm; to the Committee on Invalid Pensions.

Also, a bill (H. R. 22633) granting an increase of pension to Irene M. Gary; to the Committee on Invalid Pensions.

By Mr. STONE: A bill (H. R. 22634) granting an increase of pension to Michael Rafter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 22635) to correct the military record of John A. Rollo; to the Committee on Military Affairs.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Memorial of the Central Labor Union, Portsmouth, N. H., protesting against abolition or curtailment of navy yard at Portsmouth, N. H.; protest against the employment of the enlisted men on the various Government vessels in Portsmouth Harbor in the performance of work which by right devolves upon civilian employees at the yard; petition that Congress defeat proposition to dispose of navy yards on Atlantic seaboard; petition that Members of Congress use utmost influence to stop use of naval men to exclusion of private citizens; petition that Secretary of Navy be urged to carry into effect laws already passed and to expend sums al-

ready appropriated for improvements at Portsmouth Navy Yard; to the Committee on Naval Affairs.

By Mr. ANDERSON of Minnesota: Papers to accompany bill for the relief of Godfrey J. Andrist; to the Committee on Invalid Pensions.

Also, petition of Matt T. Duerre and 16 others, of Plainview, Minn., against extension of parcel-post system; to the Committee on the Post Office and Post Roads.

By Mr. ANDERSON of Ohio: Papers to accompany House bill 8264; to the Committee on Military Affairs.

By Mr. ASHBROOK: Memorial of Grange No. 1268, Patrons of Husbandry, for parcel-post legislation; to the Committee on the Post Office and Post Roads.

Also, petition of Charles Smith and 17 other citizens of Newark, Ohio, protesting against enactment of interstate-commerce liquor legislation; to the Committee on the Judiciary.

By Mr. BATES: Petition of Brotherhood of Railway Trainmen, No. 435, of Albion, Pa., for enactment of House bill 20487; to the Committee on the Judiciary.

Also, petitions of Erie City Iron Works and Lovell Manufacturing Co., of Erie, Pa., protesting against House bill 21100; to the Committee on the Judiciary.

Also, petition of Ackerman Bros., of Titusville, Pa., for enactment of House bill 20595, amending the copyright act of 1909; to the Committee on Patents.

Also, petitions of Granges Nos. 110, 423, 880, 168, and 1471, Patrons of Husbandry, for enactment of House bill 19133, providing for a governmental system of postal express; to the Committee on Interstate and Foreign Commerce.

By Mr. BURKE of Wisconsin: Papers (affidavit) in support of bill granting an increase of pension to Edward S. Bragg; to the Committee on Invalid Pensions.

By Mr. BYRNES of South Carolina: Petitions of churches and Woman's Christian Temperance Unions in the State of South Carolina, for passage of the Kenyon-Sheppard interstate liquor bill; to the Committee on the Judiciary.

By Mr. DAUGHERTY: Petition of L. W. Nickle, of Butterfield, Mo., and sundry other citizens of Barry County, favoring Sulzer parcel-post bill (H. R. 14); to the Committee on the Post Office and Post Roads.

Also, petition of J. M. Hill and 24 other citizens of Jasper County, Mo., favoring speedy passage of Kenyon-Sheppard interstate liquor bill; to the Committee on the Judiciary.

By Mr. DRAPER: Petition of the Business Men's Association of Elmira, N. Y., for 1-cent letter postage; to the Committee on the Post Office and Post Roads.

Also, petition of citizens of Troy, N. Y., for construction of one battleship in a Government navy yard; to the Committee on Naval Affairs.

By Mr. DANIEL A. DRISCOLL: Memorial of New York State Senate, for protection of migratory game birds; to the Committee on Agriculture.

By Mr. FRANCIS: Petition of W. G. McClain and 12 other citizens of Bellaire, Ohio, favoring the speedy passage of the Kenyon-Sheppard interstate liquor shipment bill; to the Committee on the Judiciary.

By Mr. FULLER: Petition of Barber-Colman Co., of Rockford, Ill., in opposition to the passage of the Clayton bill, relating to contempt of court; to the Committee on the Judiciary.

Also, petition of United Trades and Labor Council of Streator, Ill., in favor of the passage of Senate bill 1162 and House bills 5970 and 11032, and also favoring the adoption of the Buchanan resolution (H. Res. 396), to provide for an investigation of unemployment and cause thereof in certain industrial States, etc.; to the Committee on Rules.

Also, petition of Woman's Foreign Missionary Society of Mazon, Ill., against the repeal of the anticanteen law; to the Committee on Military Affairs.

Also, petition of Walter H. Hill, of Belvidere, and Chancy Cooper, of De Kalb, Ill., for parcel-post legislation; to the Committee on the Post Office and Post Roads.

Also, papers to accompany bill for the relief of Clarence McBratney (H. R. 5725); to the Committee on Invalid Pensions.

By Mr. GOLDFOGLE: Memorial of the Brooklyn League, urging that one battleship be constructed at the Brooklyn Navy Yard; to the Committee on Naval Affairs.

Also, petitions of S. M. Flickinger Co., of Buffalo, N. Y., and Thurston & Kingsbury, of Bangor, Me., for enactment of House bill 4667; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the National Association of Manufacturers of Medicinal Products, against House bill 14060; to the Committee on Interstate and Foreign Commerce.

By Mr. HANNA: Petition of Bert Leopold and 155 other citizens of Medina and vicinity, N. Dak., urging the passage of the



Sulzer parcel-post bill (H. R. 14); to the Committee on the Post Office and Post Roads.

Also, petition of B. Grau and 19 other voters of North Dakota, opposing parcel post; to the Committee on the Post Office and Post Roads.

Also, memorial of E. A. Stillman, of South Dakota, asking reduction of tax on sugar; to the Committee on Ways and Means.

Also, petition of S. Hitchcock and 40 other citizens of the city of Hope, N. Dak., and the Woman's Christian Temperance Union of that place, asking the speedy passage of the Kenyon-Sheppard interstate liquor-shipment bill (S. 4043 and H. R. 16214); to the Committee on the Judiciary.

By Mr. HAYES: Petitions of numerous citizens of the State of California, in favor of parcel-post legislation; to the Committee on the Post Office and Post Roads.

Also, petition of Merchants' Association of San Jose, Cal., opposing parcel-post legislation; to the Committee on the Post Office and Post Roads.

Also, petitions of residents of San Francisco, Cal., for enactment of House bill 20595, amending the copyright act of 1909; to the Committee on Patents.

Also, memorials of Merchants' Association of Napa; Merchants' Association of San Diego; Yreka Improvement Club, of Yreka; Aurelia S. Harwood; Pasadena Board of Trade; Sausalito Promotion and Improvement Club; Board of Trade of Delano; Ferndale Chamber of Commerce; Sierra Madre Board of Trade; Niles Chamber of Commerce; Stockton Merchants' Association; Eldorado County (Placerville) Board of Trade; Los Angeles Chamber of Commerce; Alameda Chamber of Commerce; G. Frederick Schwarz; Merced County (Merced) Chamber of Commerce; Alfred Braverman, Fresno; James B. Bullitt, San Jose; Santa Clara Commercial League; Osgood Putnam, San Francisco; Merchants' Association of Fresno; Ernest A. Mott, San Francisco; Chamber of Commerce, Pittsburg; Edward T. Delger, San Francisco; Weinstock, Lubin & Co., Sacramento; Hon. William C. Clarke, Oakland; and Clinton C. Clarke, Altadena, all in the State of California, in favor of appropriation for improvement of the Yosemite Valley; to the Committee on Appropriations.

By Mr. HIGGINS: Petition of Sarah Williams Danielson Chapter, Daughters of the American Revolution, of Killingly, Conn., in favor of House bill 19641; to the Committee on Appropriations.

By Mr. HOWELL: Petitions of citizens of Brigham, Logan, and Ogden, Utah, for enactment of House bill 20595, amending the copyright act of 1909; to the Committee on Patents.

Also, petition of the Salt Lake Federation of Labor, protesting against Senate bill 3175; to the Committee on Immigration and Naturalization.

By Mr. HUGHES of New Jersey: Petition of the Methodist Episcopal Church of East Rutherford, N. J., for enactment of the Kenyon-Sheppard interstate liquor bill; to the Committee on the Judiciary.

By Mr. LINDBERGH: Petitions of citizens of the State of Minnesota, in regard to oleomargarine legislation; to the Committee on Agriculture.

Also, petition of citizens of Litchfield, Minn., for enactment of House bill 20595, amending the copyright act of 1909; to the Committee on Patents.

Also, petitions of citizens of the State of Wisconsin, protesting against parcel-post legislation; to the Committee on the Post Office and Post Roads.

Also, petition of Group No. 972, of the Polish National Alliance, against restrictive immigration legislation; to the Committee on Immigration and Naturalization.

Also, petition of citizens of Royalton, Minn., for old-age pensions; to the Committee on Pensions.

Also, petitions of Catholic societies in the State of Minnesota, in regard to measures relating to Catholic Indian mission interests; to the Committee on Indian Affairs.

By Mr. LINDSAY: Petition of T. M. Osborn, of Auburn, N. Y., for passage of the Philippine independence bill; to the Committee on Insular Affairs.

By Mr. MCCOY: Petition of First Congregational Church of East Orange, N. J., for passage of the Kenyon-Sheppard interstate liquor bill; to the Committee on the Judiciary.

By Mr. MAHER: Memorial of the Maritime Exchange of New York City, indorsing the action of Congress with respect to the battleship *Maine*; to the Committee on Naval Affairs.

Also, memorials of the New York State Senate and the Brooklyn League, for construction of one battleship in the Brooklyn Navy Yard; to the Committee on Naval Affairs.

Also, memorial of the New York State Senate, for protection of migratory game birds; to the Committee on Agriculture.

Also, memorial of the board of directors of the Maritime Association of the Port of New York, for establishment of marine schools; to the Committee on the Merchant Marine and Fisheries.

Also, petition of the Business Men's Association of Elmira, N. Y., for 1-cent letter postage; to the Committee on the Post Office and Post Roads.

By Mr. OLMSTED: Memorials of Heidelberg Grange, Lebanon County, Pa.; Halifax Grange, No. 1343, Dauphin County, Pa.; and East Hanover Grange, No. 1435, Patrons of Husbandry, favoring governmental system of postal express (H. R. 19133); to the Committee on Interstate and Foreign Commerce.

By Mr. PATTEN of New York: Memorial of the board of directors of the Maritime Association of the Port of New York, for establishment of marine schools; to the Committee on the Merchant Marine and Fisheries.

By Mr. RAKER: Memorial of California State Retail Hardware Association, favoring Senate bill 4308 and House bill 17736, duplicates, for 1-cent postage on letters; to the Committee on the Post Office and Post Roads.

By Mr. STERLING: Petition of citizens of Lincoln, Ill., for construction of one battleship in a Government navy yard; to the Committee on Naval Affairs.

By Mr. SULZER: Petition of Cigar Makers' Joint Unions of Greater New York, for enactment of House bill 17253; to the Committee on Ways and Means.

Also, petition of William G. Wagner, of New York City, for enactment of the Lever oleomargarine bill; to the Committee on Agriculture.

Also, memorial of the New York State Senate, for protection of migratory game birds; to the Committee on Agriculture.

Also, memorial of the American Anti-Trust League, asking that the Federal arbitration act be extended to the coal industry; to the Committee on the Judiciary.

Also, petition of the Trow Directory, Printing & Book-binding Co., for reduction in the rate of letter postage; to the Committee on the Post Office and Post Roads.

Also, memorials of Thomas J. Carroll, president of Allied Printing Trades Council, and Samuel Rosenthal, president of the Technical Press, New York, urging immediate action on the Lever oleomargarine bill; to the Committee on Agriculture.

By Mr. TILSON: Memorials of Somers Grange, No. 105, Somers, Conn.; Plainville Grange, No. 54, Patrons of Husbandry; Housatonic Valley Pomona Grange, No. 10; Frank A. Jordan and others, Quinebaugh, Conn., favoring prompt and present action on general parcel post; to the Committee on the Post Office and Post Roads.

By Mr. TUTTLE: Petitions of the Singleton Silk Co., of Dover; the Liondale Bleach, Dye & Print Works (Inc.); and the Rockaway Rolling Mill, of Rockaway, N. J., protesting against House bill 21100; to the Committee on the Judiciary.

Also, petition of Elizabeth (N. J.) Typographical Union, No. 150, for construction of one battleship in a Government navy yard; to the Committee on Naval Affairs.

By Mr. UTTER: Petition of the Methodist Episcopal Church of East Greenwich, R. I., favoring the passage of the Kenyon-Sheppard bill; to the Committee on Interstate and Foreign Commerce.

By Mr. WILLIS: Papers to accompany House bill 22576, granting a pension to Benjamin F. Wright; to the Committee on Pensions.

## HOUSE OF REPRESENTATIVES.

SATURDAY, March 30, 1912.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Father in heaven, increase our loving kindness that our hearts may expand and our sympathies go out in brotherly love to all mankind. We realize that the warm clasp of the hand, the sunny smile, the cheering word is easy if love is spontaneous and brings great reward, but if the heart is frigid the effort is hard and the returns meager. Increase, therefore, our loving kindness that we may be rich in the things which make for righteousness, peace, and good will, and Thine be the praise forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

### COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS.

Mr. BURNETT. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the desk.